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Unpacking Brand Management Superiority:
Examining the Interplay among Brand
Orientation and Market-Linking and
Controlling Mechanisms

by

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The research associated with this thesis abides by the National Statement on Ethical Conduct in Human Research and the rulings of safety and ethics of the Human Research Ethics Committee of the University of Tasmania.

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Abstract

The importance of building brands with high levels of brand equity is widely acknowledged by scholars and practitioners alike. Such strong brands enable firms to generate stronger earnings and provide firms with a much stronger defensible position. Given these benefits, it is not surprising that building a strong brand remains a top priority for many businesses. However, achieving this end is not without its challenges as the industry is permeated with instances of branding failure (e.g., Harley Davidson Perfume, Colgate Kitchen Entrees and Heinz Cleaning Vinegar) and brand value fluctuation (e.g., Toyota and Honda). In parallel with these brand management issues, the literature offers limited empirical insight into how firms approach the fundamental yet challenging task of managing a brand in an effort to achieve higher levels of brand equity.

The underlying objective of this study is to unpack the black box of realising brand management superiority and investigate the specific process through which firms achieve higher levels of brand equity. To this end, the role of brand orientation has been highlighted in the literature given its capacity to orient firms towards the adoption of a greater branding focus by lending strategic significance to the brand and its management. However, brand orientation alone may not be the panacea that ensures firms are managing brands effectively to maximise brand equity. It does not provide (1) the market-linking mechanism that renders the firm externally relevant and appropriately linked with customers through the brand and (2) the controlling mechanisms that generate the sense of consistency fundamental to branding to facilitate the development of customer-linking branding actions.

Drawing on the resource-based view of the firm (RBV) and survey data from a sample of businesses operating in the consumer goods sector, this study shows that the influence of brand orientation on brand equity is indirect through brand management capability. Also, underpinned by the theory of marketing control, this study finds that formalisation and brand-specific transactional leadership (TRL) are conducive to enhancing the influence of brand orientation on brand management capability, while departmentalisation weakens this effect. The incorporation of these findings into an integrative, mediated moderation framework further indicates that the interactive effects of brand orientation and (a) formalisation, (b) departmentalisation and (c) brand-specific TRL on brand equity are mediated by brand management capability.

In light of these findings, several critical insights that advance knowledge and theory on brand management are offered. First, it is not brand orientation per se that contributes to higher levels of brand equity. Instead, brand orientation serves as the foundation upon which firms develop brand management capability to use the brand as the basis of interaction with customers and achieve higher levels of brand equity. Second, while formalisation and brand-specific TRL have often been maligned in the literature for their rigid and creativity-stifling nature, their controlling influence is critical in the context of branding. They help to generate the sense of consistency fundamental to branding and provide the critical conditions that facilitate brand management capability development. Third and critically, while brand orientation and specific controlling and market-linking mechanisms may be individually necessary, their interplay is the key that unlocks the black box of achieving brand management superiority.

CHAPTER ONE

INTRODUCTION

1.1. INTRODUCTION

Strong brands have long been recognised as important resources that enable firms to build and protect market share, erect barriers to imitation and competition, and extend the duration of competitive advantage (Aaker, 1991; Mizik & Jacobson, 2003; Rodriguez-Pinto, Carbonell, & Rodriguez-Escudero, 2011; Morgan, 2012; Barney, 2014). In light of these benefits, it is little wonder that building a strong brand remains an important strategic objective for firms (Aaker, 1996; Keller, 2001). However, this endeavour is not without its challenges, as indicated by the prevalence of branding failures in markets (e.g., Harley Davidson Perfume, Colgate Kitchen Entrees, and Heinz Cleaning Vinegar) and fluctuating value of some brands (e.g., Toyota and Honda). Management of the brand thus appears to be a fundamental yet challenging task (e.g., Swait, Erdem, & Peters, 2014). Interestingly, knowledge about how firms approach this task is limited. Indeed, some scholars note that existing studies have tended to focus on management of the brand and brand equity from the consumer's perspective, ignoring the brand-building activities and processes by firms (e.g., Lee, Park, Baek, & Lee, 2008; Santos-Vijande, del Rio-Lanza, Suarez-Alvarez, & Diaz-Martin, 2013). The limited understanding in this area coincides with recent calls for further research into the organisational mechanisms that enable firms to realise superior brand equity in the marketplace (e.g., Baumgarth, 2010; Baumgarth & Schmidt, 2010).

The overarching aim of this study is to develop a deeper understanding of how firms build strong brands. Specifically, this study investigates the management practices that firms put in place to manage their brands in an effort to achieve higher levels of brand equity. In addition to developing a deeper understanding of the issues that motivate the overarching aim of this study, this chapter also focuses on identifying and discussing the study's theoretical and practical justification and contribution. As argued by Grant and Pollock (2011, p. 877):

“A good introduction hooks the reader by elucidating the topic’s impact; what scholars now know, what we do not know, and why that matters; and how the research contributes to an ongoing research conversation or starts a new conversation. Effective introductions increase the likelihood readers will continue on to the remaining 90 percent of your article and fully appreciate what your research has to offer.”

This chapter begins by discussing the background of brand management research to arrive at the identification of important research gaps, study objectives, and research questions that provide the foundation for this study. Building on this foundation, this chapter articulates and highlights the justification and significance of the study. Then, the methodological approach employed by this study is discussed, along with its scope and delimitations, before concluding with an outline of the overall structure of the thesis.

1.2. BACKGROUND

According to the American Marketing Association (AMA), a brand is “a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors” (Kotler, 1997, p. 443). The act of managing a brand as such relates to activities undertaken by a firm to enable its product to be identified and differentiated from those of competitors (Keller, 2008). The identification and differentiation of a seller’s product in this sense is fundamental to organisational success because it enables a firm to distinguish its product offering in an otherwise commoditised product category, such as beer (Budweiser) and water (Perrier) (Park, Jaworski, & MacInnis, 1986; Aaker, 1991, 1996; Keller, 1993, 2008). Brand management is directed at helping a firm’s product offering to stand out in the market and in doing so, increases the likelihood of the product offering being viewed in a more positive light and adopted more frequently by consumers (Keller, 1993; Aaker, 1996). A firm’s brand management endeavour is argued to generate positive returns to the firm, including greater customer loyalty and lifetime value (Keller, 2008).

According to the branding literature, a strong brand is one that has high levels of brand equity (e.g., Yoo, Donthu, & Lee, 2000; Morgan, Slotegraaf, & Vorhies, 2009). Brand equity refers to the added value that is endowed by the brand to the product (Farquhar, 1989; Christodoulides & de Chernatony, 2010). It is not surprising then that strong brands are recognised as important business assets because they generate stronger earnings and provide a more stable market-boosting performance (Aaker, 1996; Keller, 2001; Ailawadi, Lehmann, & Neslin,

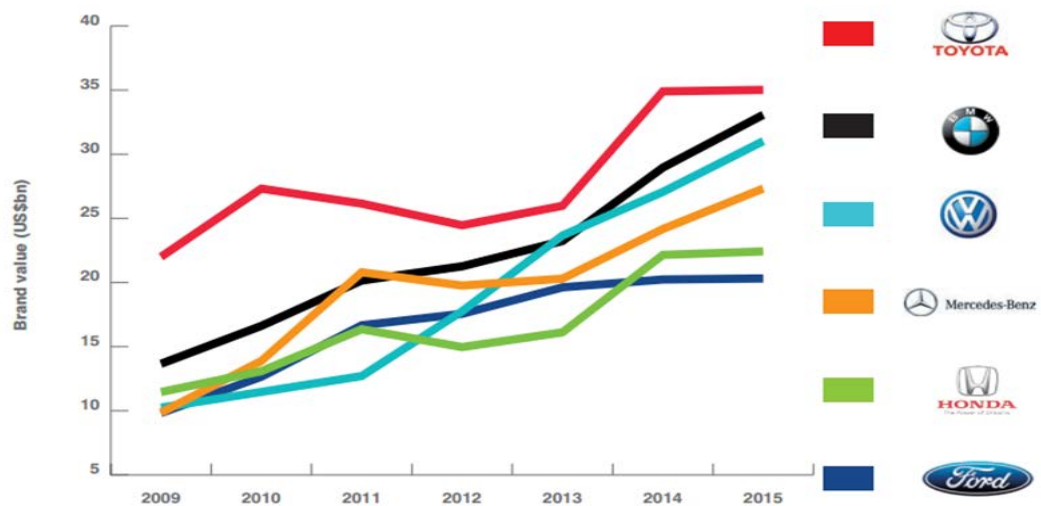
2003; Keller & Lehmann, 2006; Slotegraaf & Pauwels, 2008). They also allow firms to absorb shocks in the market and provide them with a much stronger defensible position (e.g., Swait et al., 2014), as exemplified by that of Coca Cola and Pepsi which prevented the entry and triggered the ultimate demise of Virgin Cola. For this reason, ongoing discourse among marketing academics and practitioners has often revolved around brand management since managing the brand to achieve higher levels of brand equity is fundamental to organisational success (Urde, 2003; Huang & Tsai, 2013).

Although there is widespread recognition that brands are significant business assets and their importance to the firm should not be discounted, there appears to be a lack of clarity about how brand assets should be managed for the creation and maintenance of competitive advantage. Indeed, notwithstanding the extensive body of knowledge that has been established in the literature, it appears perplexing that some firms are still incurring significant, high-profile branding failures. These issues are evident in such cases as Harley Davidson (when consumers perceived perfumes as not resonating with the tough, masculine, rugged, motorcycling lifestyle), Bic (when consumers were put off by the concept of buying underwear from a firm well known for its disposable products), and Colgate (when consumers found the association of toothpaste with frozen meals confusing and not appetising) (Grewal, Levy, Mathews, Harrigan, & Bucic, 2015).

The issues pertaining to branding failures discussed above are further compounded by the volatile manner in which the value of some brands changes over time. As a case in point, Figure 1.1 depicts the changes in the value of automobile brands between 2009 and 2015. For example, Toyota (solid red line)

appears to have suffered a significant dip in brand value from 2010 to 2012 before making a sharp recovery in 2013 and stabilising in 2014. Likewise, Mercedes-Benz (solid orange line) appears to be having a slow decline in brand value throughout 2011 and 2012 before making a marked improvement in 2013. The same can also be made of Ford (solid blue line) who appears to be making noticeable gains in brand value from 2009 to 2011 but struggling to maintain an upward trajectory since 2013.

Figure 1.1: Overview of brand value in the automobile industry



Source: Brand Finance (2015)

Given the market failure of some brands and fluctuating value of others, perhaps more attention to brand management issues is needed to develop a deeper understanding of how brands ought to be managed. Clearer insights into this management process may be critical to aiding brand managers to overcome the challenges associated with reported examples of branding failure and brand value fluctuation. A burning issue then relates to how firms manage their brands to

achieve higher levels of brand equity and what organisational mechanisms they can draw upon to support this activity.

1.3. RESEARCH GAPS AND OBJECTIVES

In light of the issues and questions identified above, it appears necessary that greater attention be given to clarifying the specific brand management practices that firms need to undertake to achieve higher levels of brand equity. To this end, an emerging view within the marketing literature suggests that as a strategic orientation of the firm, brand orientation may be a critical factor. Scholars posit that it drives firms towards the adoption of a greater branding focus (Urde, Baumgarth, & Merrilees, 2013). Specifically, brand orientation relates to adoption of the branding concept which attributes a critical importance and relevance to branding and considering branding a significant issue in business decisions and directions (Wong & Merrilees, 2007; Baumgarth, 2010; Santos-Vijande et al., 2013). Further, some scholars argue that because the brand is regarded as the key guide for marketing strategy, brand orientation is critical to reinforcing the brand's market differentiation and ultimately helping firms to achieve competitive advantages (Urde, 1999; Wong & Merrilees, 2007; Baumgarth & Schmidt, 2010). As such, it can be seen that brand orientation is critical to the firm's effort to achieve higher levels of brand equity.

In spite of its significant role in helping firms to achieve higher levels of brand equity, brand orientation may not be the be-all and end-all of brand management. Importantly, a closer look at the extant literature suggests that there are reasons to posit in the absence of accompanying organisational mechanisms,

brand orientation by itself may not be the panacea for firms to realise brand management superiority and achieve higher levels of brand equity.

First, following Urde's (1999) seminal study on the concept of brand orientation, subsequent research has been either conceptual (e.g., Hankinson, 2001; Reid, Luxton, & Mavondo, 2005; M'Zungu, Merrilees, & Miller, 2010; Urde et al., 2013), empirical (e.g., Napoli, 2006; Wong & Merrilees, 2007; Baumgarth, 2010; Hirvonen & Laukkanen, 2014), or focusing predominantly on measure development (e.g., Ewing & Napoli, 2005; Gromark & Melin, 2011; Hankinson, 2012). Although the nature of these studies varies, there is however a general consensus among scholars that brand orientation is conducive to helping firms to achieve higher levels of brand equity (e.g., Baumgarth & Schmidt, 2010; Huang & Tsai, 2013; Hirvonen & Laukkanen, 2014).

However, what is still not well understood is the extent and *how* brand orientation actually contributes to higher levels of brand equity. In particular, most studies have focused primarily on investigating the direct and unconditional performance effect of brand orientation (e.g., Bridson & Evans, 2004; Ewing & Napoli, 2005; Napoli, 2006; Hankinson, 2012; Huang & Tsai, 2013). While this body of research supports the important role of brand orientation in helping firms to achieve higher levels of brand equity, it has however provided insufficient insights into how this process actually occurs. The lack of clarity in this area warrants further academic inquiry because according to Wong and Merrilees (2005, 2007), Baumgarth (2010), Baumgarth and Schmidt (2010) and Santos-Vijande et al. (2013), brand orientation represents an essential prerequisite for building and nurturing strong brands and only provides firms with a greater

appreciation of and focus on branding and its inherent concept. It however does not provide firms with the specific organisational mechanisms through which appropriate brand management practices are carried out to achieve higher levels of brand equity in the marketplace. In other words, the appreciation of and focus on branding and its inherent concept may not directly lead to the achievement of higher levels of brand equity in the marketplace.

Indeed, Baumgarth (2010) argues that brand orientation captures only the internal prerequisite for brand-building, and it does not reflect the full nature of branding which also entails establishing brand images in consumers' minds. He further adds that in building brand strength, it is critical that firms translate their internal branding focus into concrete actions. For this reason, Baumgarth and Schmidt (2010) call for further inquiry into how the internal concept of brand orientation leads to external brand equity through externally-focused, specialised branding initiatives. Sharing the same sentiment, Hirvonen and Laukkanen (2014) argue that brand orientation cannot be expected to shape brand equity directly because it has no relevance outside the organisation and does not directly provide value to customers. Thus, by orienting firms towards the appreciation of and focus on branding and its inherent concept, brand orientation can be seen as providing only the basis or potential value for firms in their efforts to achieve higher levels of brand equity. The key to realising this potential may be through specialised, externally-focused branding initiatives which serve as the key organisational mechanism that allows firms to be relevant in the market and appropriately linked with customers through the brand. It appears that a market-linking mechanism of this nature is the key to the firm's effort of achieving higher levels of brand equity.

Drawing on the resource-based view of the firm (RBV) (Ketchen, Hult, & Slater, 2007), this study examines the role of brand management capability as the key organisational mechanism that firms draw on to achieve higher levels of brand equity in the marketplace. Specifically, the previous discussion shows that in addition to possessing brand orientation, firms are also in need of an organisational mechanism that enables them to be externally relevant in the market and appropriately linked with customers through the brand so that higher levels of brand equity can be achieved. To this end, the RBV literature suggests that the firm's brand management capability may be such a mechanism owing to its externally-relevant and customer-linking nature (Morgan, Slotegraaf, & Vorhies, 2009a; O'Cass & Ngo, 2011b; Vorhies, Orr, & Bush, 2011; Morgan, 2012). Thus, brand management capability may be the key market-linking mechanism that helps to translate the firm's appreciation of and focus on branding and its inherent concept into higher levels of brand equity in the marketplace. Underpinned by the RBV, this study examines whether and how brand orientation influences brand equity via the market-linking nature and intervening role of brand management capability. Therefore, the following research question is posed:

Research Question 1: To what extent does the firm's brand management capability mediate the influence of its brand orientation on its brand equity?

Second, the significance of undertaking branding actions consistently has often been highlighted as a critical determinant of brand success (e.g., Park et al., 1986; Erdem & Swait, 1998). According to Urde (1994), Aaker (1996), de Chernatony and Segal-Horn (2003), and Reid et al. (2005), consistent branding

actions are critical to establish a clear and coherent brand image in the minds of consumers. Indeed, Duncan and Moriarty (1998, p. 6) argue that given messages sent by the company's overall business practices have communication dimensions, brand messages must be strategically consistent since "everything sends a message." It is not surprising then that Beverland, Napoli and Lindgreen (2007) find firms with strong brands implement well-planned and coordinated action programs. Importantly, Urde (1994), Ewing and Napoli (2005), Erdem, Swait and Valenzuela (2006), Keller and Lehmann (2006), and Huang and Tsai (2013) argue that it is the convergence of the firm's branding actions that helps to construct the brand and give it a meaning with which consumers can clearly resonate.

Thus, it appears that in addition to adopting brand orientation as the strategic focus, firms may also require the incorporation of organisational mechanisms that allow them to enact consistent branding actions. Indeed, brand orientation is argued to be critical to orienting firms towards embracing the branding concept which emphasises attributing a critical importance and relevance to branding and considering branding a significant issue in business decisions and directions (Wong & Merrilees, 2007; Baumgarth, 2010; Santos-Vijande et al., 2013). It however does not provide the organisational mechanism that facilitates the enactment of consistent branding actions. In the absence of such a mechanism, brand orientation by itself may not be sufficient to ensure consistent branding actions are enacted and higher levels of brand equity achieved. The contention advanced here may also be illustrative of the manner in which Toyota, known for its reliability, suffered significant blows to its brand equity during the period of 2010 owing to its inconsistent marketing mix (e.g., promising

high quality but suffering from constant product recalls and poor handling of these recalls) (Swait et al., 2014). The reverse is true for Volkswagen who was able to successfully position its brand in the premium car market through its unrivalled build quality and high prices (Truong, Simmons, McColl, & Kitchen, 2008).

It is thus imperative that in achieving higher levels of brand equity, firms incorporate their brand orientation with an organisational mechanism that facilitates the enactment of consistent branding actions. However, recent development in the brand orientation literature sheds little light on what this mechanism is and how it supports the firm's brand orientation and facilitates the enactment of consistent branding actions. Indeed, previous research has mainly considered consistent branding actions as a given for and important aspect of being brand-oriented (e.g., Ewing & Napoli, 2005; Baumgarth & Schmidt, 2010; M'zungu et al., 2010; Merrilees, Rundle-Thiele, & Lye, 2011; Hankinson, 2012; Hirvonen & Laukkanen, 2014) without specifying how such actions are actually enacted to achieve higher levels of brand equity. Insight is required to develop a better understanding of the specific process through which consistent branding actions are enacted. In particular, more attention is needed to identify the appropriate organisational mechanisms that can ensure the process through which branding actions are enacted is properly controlled for consistency. Having controlling mechanisms of this nature may be the key to generating the sense of consistency fundamental to branding and providing the necessary condition that facilitates the enactment of branding actions.

Drawing on the theory of marketing control (Jaworski, 1988; Jaworski, Stathakopoulos, & Krishnan, 1993), this study considers organisational structure

and leadership style as two key controlling mechanisms. This study examines whether and how organisational structure and leadership style support the firm's brand orientation and generate the sense of consistency fundamental to branding to facilitate the enactment of branding actions. Given that brand orientation may affect brand equity indirectly through brand management capability as the firm's market-linking mechanism, the controlling influence of these mechanisms may be critical to supporting the firm's brand orientation and as such, enhancing its influence on brand management capability.

With respect to organisational structure, this study considers formalisation, centralisation and departmentalisation as key structural controls because "given that control consists of attempts by the organisation to influence the behaviour of individuals and groups, organisational structure is, by definition, a control mechanism" (Jaworski, 1988, p. 27). With respect to leadership style, this study considers brand-specific transactional leadership (TRL) as an important leadership control. Given that leaders (e.g., managers, supervisors) prescribe performance standards and expectations, they may be critical to directing the behaviour of individuals and groups at achieving organisational objectives (Piercy, Cravens, Lane, & Vorhies, 2006; Rigopoulou, Theodosiou, Katsikea, & Perdakis, 2012).

Further, controls such as formalisation, centralisation and brand-specific TRL have often been maligned in the literature for their rigid, regulatory and creativity-stifling nature (e.g., Vorhies & Morgan, 2003; Olson, Slater, & Hult, 2005; Auh & Menguc, 2007; Kearney & Gebert, 2009; Morhart, Herzog, & Tomczak, 2009). However, their role within the context of brand management has yet to be examined. This critical knowledge gap warrants investigation because

these controlling mechanisms may be conducive to generating the sense of consistency fundamental to branding and thus facilitate the process through which branding actions are enacted. They may therefore be essential in supporting the firm's brand orientation and enhancing its influence on brand management capability. The rationale advanced here also justifies this study's specific focus on TRL [and not brand-specific transformational leadership (TFL) whose performance benefits are widely documented in the literature (e.g., Morhart et al., 2009; Punjaisri, Evanschitzky, & Rudd, 2013)]. While some argue that TRL hampers employees' task autonomy and creativity (e.g., Morhart et al., 2009; Schmitz, Lee, & Lilien, 2014), others however suggest that it reduces employees' uncertainty on how to complete tasks to realise performance goals (e.g., MacKenzie, Podsakoff, & Rich, 2001; Schmitz & Ganesan, 2014), which may establish the sense of clarity and consistency that is fundamental to branding (e.g., Keller, 1993; Erdem & Swait, 1998; Erdem et al., 2006). Therefore, the following research question is posed:

Research Question 2: To what extent does the firm's level of (i) formalisation, (ii) centralisation, (iii) departmentalisation and (iv) brand-specific TRL enhance the effect of its brand orientation on its brand management capability?

Third, the previous discussion shows that despite the significant role of brand orientation in enabling firms to achieve higher levels of brand equity, it is however by itself an insufficient condition for two reasons. On one hand, while brand orientation enables firms to achieve higher levels of brand equity (e.g., Baumgarth & Schmidt, 2010; Huang & Tsai, 2013), realising this desired outcome

is unlikely if firms are not externally relevant in the market and appropriately linked with customers through the brand (Baumgarth, 2010; Hirvonen & Laukkanen, 2014). On the other hand, given the importance of engaging branding actions in a consistent fashion to achieve higher levels of brand equity (Park et al., 1986; Keller, 1993; Aaker, 1996; Ewing & Napoli, 2005; Reid et al., 2005; Santos-Vijande et al., 2013), firms may need to incorporate their brand orientation with controlling mechanisms that generate the sense of consistency fundamental to branding to facilitate the process through which such actions are enacted. Thus, it appears that in addition to brand orientation, firms striving to achieve higher levels of brand equity may also need to be equipped with market-linking and controlling mechanisms.

Combining the theoretical perspectives of RBV and marketing control, this study adopts a mediated moderation approach to integrate both mediation and moderation processes considered above. The interplay between market-linking and controlling mechanisms as the key that unlocks brand management superiority is examined. Specifically, this examination focuses on whether and how brand orientation, when incorporated with appropriate controlling mechanisms, influences brand equity through the intervening role of brand management capability as the key market-linking mechanism. Therefore, the following research question is posed:

Research Question 3: To what extent does the firm's brand management capability mediate the interactive effect of its brand orientation and (i) formalisation, (ii) centralisation, (iii) departmentalisation and (iv) brand-specific TRL on its brand equity?

1.4. JUSTIFICATION AND SIGNIFICANCE OF THE STUDY

Despite advances in branding research, little is still known about how firms can unlock brand management superiority. This lack of clarity is alarming given the challenges associated with branding failure and brand value fluctuation that confront brand managers. In addressing the research objectives and questions set out above, this study seeks to resolve these critical issues and in doing so, contributes to existing knowledge in the following ways.

First, drawing on the RBV, current knowledge in the brand orientation literature is extended by shedding light on the specific process through which brand orientation contributes to higher levels of brand equity. Critically, this study posits that brand orientation provides only the basis or potential value for achieving higher levels of brand equity by endowing firms with a greater appreciation of and focus on branding and its inherent concept. Realising this desired outcome requires that firms draw on the market-linking nature of brand management capability so that their brand orientation can be translated into higher levels of brand equity in the market. Developing a model that unpacks the brand orientation to brand equity process as such provides a more complete and accurate blueprint of the brand management process, which at present is missing from the extant literature.

Second, underpinned by the theory of marketing control, current knowledge on brand orientation is extended and recent calls for research (e.g., Baumgarth, 2010) are addressed. This is achieved by considering organisational structure (i.e., formalisation, centralisation and departmentalisation) and leadership style (i.e., brand-specific TRL) as key controlling mechanisms that

facilitate the process through which brand-oriented firms' branding actions are enacted consistently. Examining the controlling influence of formalisation, centralisation and brand-specific TRL also offers an important contribution to current knowledge in the marketing and management literature. The rigid and creativity-stifling nature of these organisational factors has often been regarded as detrimental to enhancing organisational performance (e.g., Vorhies & Morgan, 2003; Olson et al., 2005; Auh & Menguc, 2007; Morhart et al., 2009; Punjaisri et al., 2013). However, their controlling influence has yet to be examined in the context of brand management, where consistency is crucial to achieving higher levels of brand equity (Park et al., 1986; Keller, 1993; Aaker, 1996; Ewing & Napoli, 2005; Reid et al., 2005; Santos-Vijande et al., 2013). This study posits that notwithstanding their rigid nature, incorporating these specific controlling mechanisms may be critical to support a firm's brand orientation and facilitate the enactment of consistent branding actions.

Third, previous discussions show that while market-linking mechanism allows the firm to be externally relevant in the market and appropriately linked with customers through the brand, controlling mechanisms facilitate the enactment of consistent branding actions. By incorporating specific mediating and moderating processes, an integrated framework is developed, positing the interplay between market-linking and controlling mechanisms as the key to helping brand-oriented firms to achieve higher levels of brand equity. It is argued that when firms incorporate their brand orientation with appropriate controlling mechanisms, it may facilitate the process through which brand management capability as the integral market-linking mechanism is enacted consistently, which

in turn may contribute to higher levels of brand equity since it may facilitate the establishment of a clear and coherent brand image in the minds of consumers. Drawing on the RBV and marketing control theory, this mediated moderation framework identifies brand management capability as constituting the underlying mechanism that relays the performance effects of brand orientation governed by different levels of controlling mechanisms onto higher levels of brand equity.

1.5. RESEARCH METHOD

In order to empirically address the research questions, quantitative data from businesses operating within the consumer goods industry are gathered. In particular, this study focuses on businesses that are responsible for managing brands within the sectors of fashion, automobile and consumer electronics since the literature suggests that brands associated with these product categories are often consumed for symbolic or status-enhancing reasons (e.g., Zhou & Wong, 2008; Zhou, Yang, & Hui, 2010). Indeed, prior research argues that consumers' purchase behaviour in these specific sectors is often driven by the extent to which the image of the brand is congruent with that of the consumer (Sirgy, 1982; Eastman, Goldsmith, & Flynn, 1999; O'Cass, 2004; Parker, 2009). Thus, in line with the theoretical focus of this study, it is argued that businesses operating within these specific sectors are considered a fitting source from which critical insights about brand management are derived.

In the process of collecting data, a multiple informant design was adopted because it helps to minimise common method bias and produces data of greater quality when sourced from multiple informants (e.g., different hierarchical levels)

who are most knowledgeable of their corresponding work positions (Atuahene-Gima, 2005; Zhou, Li, Zhou, & Su, 2008). To this end, this study targeted senior- and middle-level personnel responsible for overseeing the day-to-day management of brands since prior studies suggest they have significant amount of knowledge about the brand, its operations and level of performance (e.g., Wong & Merrilees, 2008; Huang & Tsai, 2013; Hirvonen & Laukkanen, 2014).

Further, measures were sourced from the literature and adapted from previous studies where available or newly developed specifically for this study. Prior to launching the survey instrument, this study followed the three-stage procedure recommended by Ngo and O'Cass (2009). First, all relevant measurement items and scale poles were generated through an extensive review of the literature. Then, a panel of expert judges comprised of marketing academics were invited to assess the face validity of those measures. Finally, an extensive interview with marketing practitioners was undertaken, during which they were asked to complete the draft questionnaire and assess measurement items in terms of their comprehension, logic and relevance. Following this, all measurement items were refined before the finalised survey instrument was launched.

1.6. SCOPE AND DELIMITATIONS

The scope and delimitations of this study are presented to clarify the boundaries within which this study is conducted. This clarification enables the provision of several notable caveats with respect to generalisability. First, this study focuses on brand management and brand equity from the firm's perspective. While this approach does not consider brand management from other relevant

perspectives (e.g., consumers, channel members), it is however in line with prior research (e.g., Huang & Tsai, 2013; Hirvonen & Laukkanen, 2014) and provides a strong foundation for examining specific organisational factors and processes that are critical to addressing the brand management issues identified and discussed previously in Sections 1.2 and 1.3.

Second, in examining how firms manage their brands, this study focuses only on a limited set of key organisational factors that have been identified in the literature, including strategic orientation (Noble, Sinha, & Kumar, 2002), organisational structure (Vorhies & Morgan, 2003), leadership style (Morhart et al., 2009), and resource-deployment activities (Ketchen et al., 2007). While this is not an exhaustive set of organisational factors firms can draw on to manage their brands effectively and achieve higher levels of brand equity, they however provide a solid basis upon which a better understanding of brand management from the firm's perspective can be developed.

Third, in empirically addressing the study's research questions, specific focus on business-to-consumer firms operating within the sectors of fashion, automobile and consumer electronics is given. However, this does not preclude the significant role of branding in other sectors (e.g., business-to-business), although some studies suggest that its influence in driving organisational success may be less prominent (e.g., Beverland, Napoli, & Farrelly, 2010).

1.7. OUTLINE OF THE STUDY

This study is organised into six chapters. Chapter One as the introductory chapter brings to light the issues that challenge marketers in the practical

environment. In addressing these issues, this chapter identifies knowledge gaps in the extant literature and proposes research questions which are to be empirically assessed. Then, the theoretical and practical contributions that can be generated through this research endeavour are highlighted.

Chapter Two presents a detailed review of the relevant bodies of literature pertaining to brand orientation, marketing control and the RBV. This review offers a detailed analysis of the current state of the literature and provides the backdrop for theory-building.

Chapter Three establishes the conceptual framework of this study. In doing so, key constructs are connected through the critical knowledge derived from Chapter Two, and specific hypotheses are developed to test the theory behind them.

Chapter Four presents details of this study's research design, outlining the specific stages through which this research endeavour is implemented. In doing so, it addresses key issues pertaining to sample, data collection and measures.

Chapter Five presents key findings of this study. In addition to reporting psychometric properties of measures, it also assesses each of the specific hypotheses developed in Chapter Three through relevant and appropriate quantitative data analysis techniques.

Chapter Six provides a detailed interpretation of the findings derived from Chapter Five. In doing so, it presents an in-depth discussion about how findings of this study extend current knowledge, from which theoretical and practical

implications are also drawn. Further, limitations of this study are identified, on the basis of which recommendations for future research are made.

1.8. CONCLUSION

Brands are important assets that firms draw upon to build and sustain competitive advantages. Thus, it is crucial that firms manage their brands effectively to achieve higher levels of brand equity. To this end, the marketing literature suggests that brand orientation is conducive to achieving higher levels of brand equity. However, brand orientation alone may not be sufficient to realise this desired outcome because firms are also required to (1) be externally relevant in the market and appropriately linked with customers through the brand and (2) ensure branding actions are enacted consistently. Drawing on the RBV and marketing control theory, this study develops an integrative, mediated moderation framework. It assesses whether and how brand management capability as the firm's integral market-linking mechanism mediates the relationship between the firm's brand orientation incorporated with controlling mechanisms such as organisational structure (i.e., formalisation, centralisation and departmentalisation) and leadership style (i.e., brand-specific TRL), and brand equity. This integrative approach to assessing mediation and moderation processes provides a more complete understanding of the conditions under which brand orientation affects brand equity, and the specific process through which higher levels of brand equity are achieved.

CHAPTER TWO

LITERATURE REVIEW

2.1. INTRODUCTION

As discussed in the previous chapter, some scholars argue that brand orientation contributes to higher levels of brand equity (e.g., Urde et al., 2013). However, the literature suggests brand orientation alone may not be the panacea for achieving this outcome because firms also require appropriate market-linking and controlling mechanisms in place to achieve relevance and consistency respectively. In picking up on this claim and issues associated with achieving higher levels of brand equity, the research gaps and questions identified in Chapter One were advanced. The key objective of this chapter is to draw on relevant literature and critically analyse existing knowledge to establish a foundation to develop theory and hypotheses in the next chapter. As argued by Boote and Beile (2005, p. 3):

“A substantive, thorough, sophisticated literature review is a pre-condition for doing substantive, thorough, sophisticated research. To advance our collective understanding, a researcher or scholar needs to understand what has been done before, the strengths and weaknesses of existing studies, and what they might mean.”

This chapter begins by analysing and identifying recent developments within the brand orientation literature. Then, a review of the resource-based view of the firm (RBV) is undertaken before this chapter ends with an examination of the theory of marketing control, followed by concluding comments.

2.2. BRAND ORIENTATION

As noted in Section 1.3, brand orientation as a strategic orientation is argued to endow firms with a greater branding focus (Urde, 1999; Urde et al., 2013). According to Wong and Merrilees (2007), Baumgarth (2010) and Santos-Vijande et al. (2013), brand orientation refers to the adoption of the branding concept which emphasises attributing a critical importance and relevance to branding and considering branding a significant issue in business decisions and directions. Some scholars further add that by adopting this branding concept, the firm not only ensures that the brand will have a dominant role within the business (Hankinson, 2001; Santos-Vijande et al., 2013), but also regards it as the core around which firm strategies and operations revolve to establish a competitive advantage (Urde, 1999; Urde et al., 2013).

In the context of delineating the underlying focus of brand orientation, the adjacent concept of market orientation is often raised and discussed (e.g., Urde, 1999; Urde et al., 2013). This is largely because the existing body of work on brand orientation is built primarily on market orientation. Thus, unsurprisingly, common ground between the two can often be observed. For example, some scholars suggest that brand orientation is closely tied to the concept of market orientation due to its similar focus on satisfying consumer wants and needs (Urde, 1999; Noble et al., 2002; Reid et al., 2005). Indeed, it is noted in the brand orientation literature that a strong brand cannot be developed without an adequate understanding of consumer preferences (Gromark & Melin, 2013), because “over time, a strong brand cannot isolate itself from the evolving needs of its customers” (Urde et al., 2013, p. 18).

Similarly, some scholars argue that both brand orientation and market orientation are alike in that they both emphasise on an organisation-wide commitment to the firm's underlying strategic focus and organisational philosophy (e.g., Noble et al., 2002; Reid et al., 2005). Indeed, it is highlighted in the brand orientation literature that an organisation-wide understanding of what the brand stands for and the values it represents is essential since it serves as the compass that guides the strategic direction of the organisation and embodies the strategic hub around which firm strategies and operations revolve (Urde, 1999; Hankinson, 2001; Wong & Merrilees, 2007; Evans, Bridson, & Rentschler, 2012).

However, and perhaps quite critically, brand orientation departs from the central tenet of market orientation in that its pursuit of satisfying consumer wants and needs is undertaken within the limits of the core brand identity (Urde et al., 2013) or “within the room for manoeuvre allowed by the brand identity” (Baumgarth, Merrilees, & Urde, 2013, p. 973). Indeed, some scholars argue that if consumer demands lie beyond or simply do not fit within the scope of the core brand identity framework, a brand-oriented approach would then dictate that such opportunity be disregarded and instead focus on emerging markets or opportunities that align with the brand platform (Helm & Jones, 2010; Nedergaard & Gyrd-Jones, 2013). The brand identity thus serves as a frame of reference that filters which opportunities to pursue and which not to pursue (Hirvonen & Laukkanen, 2014). For this reason, some scholars argue that brand orientation is “market orientation plus” due to its conditional response to consumer wants and needs as a critical means for safeguarding the integrity of the core brand identity (Urde, 1999; M'zungu et al., 2010; Gromark & Melin, 2013).

2.2.1. Conceptualisation of brand orientation

The literature is replete with studies advocating the performance benefits of brand orientation. On one hand, insights in support of this position appear to be based largely on anecdotal reports and case studies which offer limited empirical validation. For example, Table 2.1 shows that in his seminal study, Urde (1999) focuses primarily on introducing the concept of brand orientation. However, his discussions of what brand orientation is and how and why it benefits firms are premised primarily on experiences of case companies. Similarly, while the work of M'zungu et al. (2010) offers insights into the role of brand orientation in creating and safeguarding brand equity, these are however based solely on a case analysis of companies within the services sector.

On the other hand, some studies adopt an empirical approach to examine the performance benefits of brand orientation. In particular, an analysis of the empirical studies identified in Table 2.1 shows that brand orientation is generally viewed from two perspectives – cultural and behavioural. The cultural view captures the firm's thinking and mindset as reflected in its organisational philosophy, values and beliefs (e.g., Wong & Merrilees, 2007; Huang & Tsai, 2013), whereas the behavioural view focuses on implemented activities (e.g., Bridson & Evans, 2004; Ewing & Napoli, 2005). While both perspectives appear to capture the firm's adoption of the branding concept and emphasis on the focal brand (e.g., Urde et al., 2013), a closer examination suggests that they produce mixed findings that contribute very little to clarifying the underlying nature of brand orientation as a strategic orientation of the firm and the specific process through which it contributes to higher levels of brand equity.

Table 2.1: Overview of studies – brand orientation

Study	Context	Definition	Perspective	Measure examples	Dependent variable	Key findings
Urde (1999)	N/A	An approach in which the processes of the organisation revolve around the creation, development, and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands.	Mindset	N/A (Conceptual study)		
Hankinson (2001)	Charity	Involves an understanding of what the brand does and the value it represents, communicating the brand to both external and internal audiences, using the brand as a strategic resource, and managing the brand actively and deliberately.	Behavioural	Findings derived from qualitative interview show that brand orientation entails: <ul style="list-style-type: none"> – Brand understanding – Brand communication – Using the brand as a strategic resource – Active brand management 	Unstructured qualitative interview focused on uncovering the direct consequences of brand orientation.	Brand orientation directly leads to the development of a strong brand, successful fulfilment of organisational objectives, and an inclusive employee culture.
Bridson and Evans (2004)	Fashion retail	The degree to which the organisation values brands and its practices are oriented towards building brand capabilities (i.e., distinctive capability, functional capability, value-adding capability, symbolic capability)	Philosophical and behavioural	<ul style="list-style-type: none"> – Our brand name is a guarantee of consistency for our customers. – Our business differentiates itself from competitors by communicating the functional benefits of the store. – We have added service attributes to the retail offer to differentiate our brand. – Our brand, as a symbol, expresses our customers' personality. 	Retail offer advantage: <ul style="list-style-type: none"> – Merchandise – Trading format – Customer service – Communication advantages 	Brand orientation directly influences fashion retailer advantage.
Ewing and Napoli (2005)	Non-profit	The organisational wide process of generating and sustaining a shared sense of brand meaning that provides superior value to stakeholders and superior performance to the organisation.	Philosophical and behavioural	<ul style="list-style-type: none"> – Keep in touch with current market conditions. – Ensure managers within the organisation are aware of all of the marketing activities that involve the brand. – Develop detailed knowledge of what our stakeholders like and dislike about the brand. 	Organisational performance: <ul style="list-style-type: none"> – Ability to serve stakeholders better compared to competitors – Ability to achieve both short- and long-term objectives 	Brand orientation directly influences organisational performance.

Table 2.1: Overview of studies – brand orientation (continued)

Study	Context	Definition	Perspective	Measure examples	Dependent variable	Key findings
Napoli (2006)	Non-profit	The organisational wide process of generating and sustaining a shared sense of brand meaning that provides superior value to stakeholders and superior performance to the organisation.	Philosophical and behavioural	<ul style="list-style-type: none"> – Keep in touch with our stakeholders' needs – Create a brand/sub-brand structure that is well thought out and understood by our staff – Develop detailed knowledge of what our stakeholders like and dislike about the brand 	Organisational performance: <ul style="list-style-type: none"> – Ability to achieve short- and long-term goals and objectives – Ability to serve stakeholders better, relative to competitors 	Brand orientation directly influences organisational performance.
Wong and Merrilees (2007)	Retailing, service, and manufacturing sectors	A mindset that ensures that the brand will be recognised, featured and favoured in the marketing strategy.	Mindset	<ul style="list-style-type: none"> – Branding flows through all our marketing activities. – Long term brand planning is critical to our future success. – The brand is an important asset for us. – Everyone in this firm understands that branding our product/service is a top priority for our business. 	Brand performance: <ul style="list-style-type: none"> – Brand awareness – Brand reputation – Brand loyalty 	Brand orientation positively enhances the relationship between marketing strategy and brand performance.
Wong and Merrilees (2008)	Retailing, manufacturing, and services firms	A mindset that ensures that the brand will be recognised, featured and favoured in the marketing strategy.	Mindset	<ul style="list-style-type: none"> – Branding is essential to our strategy. – Branding flows through all our marketing activities. – Long term brand planning is critical to our future success. – The brand is an important asset for us. 	Brand performance: <ul style="list-style-type: none"> – Brand image – Brand awareness – Brand loyalty 	Brand orientation influences brand performance through brand distinctiveness and innovation.
Baumgarth (2010)	Business-to-business	A specific type of marketing orientation which is distinguished by the high relevance accorded to branding by top management.	Cultural	<ul style="list-style-type: none"> – We invest in our brand in times of scarce financial resources. – We check regularly that the corporate design guidelines of our brand are adhered to. – We conduct regular meetings about the status-quo of our brand. – We conduct regularly market research studies of our brand. 	Market performance <ul style="list-style-type: none"> – Customers' evaluation of quality – Winning new customers – Improvement of the image Economic performance <ul style="list-style-type: none"> – Achieving turnover goal – Achieving profit goal 	Brand orientation influences market performance, which in turn affects economic performance.

Table 2.1: Overview of studies – brand orientation (continued)

Study	Context	Definition	Perspective	Measure examples	Dependent variable	Key findings
Baumgarth and Schmidt (2010)	Business-to-business	A specific type of strategic orientation or corporate culture characterised by high relevance of the brand as the basis of the business model and dominance of the brand in corporate strategic thinking.	Cultural	<ul style="list-style-type: none"> We use all our marketing activities to develop our brand and enhance its strength. We recognise our brand as a valuable asset and strategic resource, which we continually develop and protect in the best possible way. The great majority of our company's employees understands and lives the brand values. 	Brand equity <ul style="list-style-type: none"> Brand awareness Perceived quality Market leader 	Brand orientation influences external brand equity through internal brand equity.
M'zungu, Merrilees, and Miller (2010)	N/A	A mindset that entails that management goes beyond the marketing orientation with its focus on customer satisfaction and competitors, to a more deliberate and active development of brands that are imbued with emotional and symbolic values.	Mindset	N/A (Conceptual study)		
Hankinson (2012)	Destination marketing organisations	N/A	Cultural and behavioural	Brand culture <ul style="list-style-type: none"> We ensure all managers within the organisation are aware of the marketing activities and support of the brand Departmental coordination <ul style="list-style-type: none"> There is good communication between marketing and other departments as regards branding Brand communications <ul style="list-style-type: none"> We ensure the meaning of the brand is represented consistently in all internal and external marketing communication activities Brand reality <ul style="list-style-type: none"> We focus on creating a positive product/service experience for customers Brand partnership <ul style="list-style-type: none"> We actively seek partners who are compatible with our brand values 	Brand performance <ul style="list-style-type: none"> Awareness Brand image Customer satisfaction 	Brand orientation has a direct influence on brand performance.

Table 2.1: Overview of studies – brand orientation (continued)

Study	Context	Definition	Perspective	Measure examples	Dependent variable	Key findings
Huang and Tsai (2013)	Manufacturing firms	A strategy based on the enterprise's values and culture that regard building the brand as part of its overall activity.	Cultural	<ul style="list-style-type: none"> All members of the company have knowledge of the company's positioning and value and apply the knowledge to their work. All company members are aware that the brand differentiates them from their competitors. The company integrates various communication channels, conveys information of company brand positioning and value to customers, and establishes added value for the brand. 	Brand performance: <ul style="list-style-type: none"> Brand awareness Brand reputation Brand loyalty 	Brand orientation has a direct influence on brand performance.
Santos-Vijande et al. (2013)	Knowledge-intensive business services	A mindset, a type of organisational culture that ensures that the brand will have a dominant role in the firm's strategy and where the firm recognises the importance of brands as valuable assets and centres its marketing strategy and activities on developing the ability to build strong brands.	Mindset and cultural	<ul style="list-style-type: none"> Building a strong brand is one of the objectives set by the firm's management. An active and effective brand management is essential for achieving competitive advantages. Brand decisions are a very important element in the firm's business strategy. The firm's commercial brand is one of its most valuable assets. 	Customer performance: <ul style="list-style-type: none"> Customer satisfaction Customer loyalty Customer retention Improved image Business performance: <ul style="list-style-type: none"> Sales growth Market share growth Profits growth 	Brand orientation as a dimension of the firm's overall brand management system affects customer performance, which in turn influences business performance.
Hirvonen and Laukkanen (2014)	Fitness and physiotherapy firms	The mindset of an organisation, placing the brand at the core of the business strategy and serving as an initiator for brand identity development.	Mindset	<ul style="list-style-type: none"> Branding flows through all our marketing activities. Branding is essential in running this company. Long term brand planning is critical to our future success. The brand is an important asset for us. 	Brand performance: <ul style="list-style-type: none"> Brand image Brand awareness Brand reputation Brand loyalty Launching new services Acquiring new customers 	Brand orientation influences brand performance through brand identity.

For example, Table 2.1 shows that Huang and Tsai (2013) define brand orientation from the cultural perspective and find that it has a direct influence on brand performance. This finding is inconsistent with the findings of Wong and Merrilees (2008), Baumgarth and Schmidt (2010) and Hirvonen and Laukkanen (2014). They find that brand orientation (from the cultural perspective) influences brand performance indirectly through the firm's innovation processes (which enable it to identify, select and implement innovative ideas that can help to build strong brands; Wong & Merrilees, 2008), internal brand equity (which reflects its employees' brand-supportive behaviour; Baumgarth & Schmidt, 2010) and brand identity development (which characterises the way it thinks, acts and connects with customers; Hirvonen & Laukkanen, 2014). On this point, some scholars argue that brand orientation as the firm's mindset or philosophy that emphasises the importance of branding and the focal brand cannot be expected to influence performance directly unless it is translated into concrete actions (e.g., Baumgarth, 2010; Hirvonen & Laukkanen, 2014). The contention advanced by these scholars appears to suggest that concrete behaviours, rather than philosophical notions, are the key to building strong brands.

Indeed, Table 2.1 shows that studies examining brand orientation from the behavioural perspective find a direct relationship between brand orientation and performance (e.g., Ewing & Napoli, 2005; Hankinson, 2012). For example, Bridson and Evans (2004) find that when firms use the brand as a mark of distinction, a means of satisfying consumers' functional needs, a source of value adding, and a symbolic reflection of consumers, they are better able to achieve retail offer advantage over their closest competitor. Similarly, Napoli (2006) finds

that when firms interact with their stakeholders, orchestrate the activities and people involved in managing the brand, and acquire knowledge pertaining to stakeholders' likes and dislikes of the brand, they are more likely to achieve their organisational goals and perform better than firms that engage in these activities to a lesser extent. These findings appear to suggest that studies adopting the behavioural perspective focus on translating the philosophical notions of emphasising the importance of branding and the focal brand (i.e., brand orientation) into greater concreteness (i.e., implemented activities).

Indeed, some scholars argue that since organisational culture relates to the values and beliefs that guide and shape the behaviour of organisational members (Barney, 1986; Deshpande & Webster, 1989; Noble et al., 2002), the implemented activities are essentially the manifestation of the underlying values and beliefs system (i.e., culture) or strategic focus of the firm (Kohli & Jaworski, 1990; Narver & Slater, 1998; Narver, Slater, & Tietje, 1998). This position may explain the inconsistent findings noted between Wong and Merrilees (2008), Baumgarth and Schmidt (2010), and Huang and Tsai (2013). Specifically, while these studies define brand orientation from the cultural perspective, the former two operationalise their measures in a philosophical sense reflecting the firm's values and beliefs on the importance of branding. The latter, on the other hand, operationalise their measure in a behavioural manner reflecting the firm's activities focused on applying positioning knowledge, integrating communication channels, and conveying brand positioning information. This approach to conceptualising strategic orientation is also commonly observed in other areas of the marketing literature. For example, although market orientation has oftentimes

been defined from the cultural perspective, its measurement however is operationalised in a behavioural sense (e.g., Narver & Slater, 1990; Hult, Ketchen, & Slater, 2005). Thus, it appears that by capturing the essence of the performed activities, an assumption of the underlying values and beliefs system can be drawn. In this sense, it appears that brand orientation may best be captured in a behavioural sense.

A closer examination of studies adopting the behavioural view identified in Table 2.1 however reveals a disparate focus and lack of cohesion among the performed activities. For example, Ewing and Napoli (2005) and Napoli (2006) view brand orientation as capturing such internal and external activities as interaction (learning about and responding to changes in market conditions and stakeholder needs) and orchestration (integrating internal and external marketing activities). Similarly, Hankinson's (2012) view of brand orientation includes departmental coordination and communicating and delivering brand experience internally and externally. As such, it appears that brand orientation viewed from the behavioural perspective is all-encompassing in nature, such that it includes all internal and external activities and actions firms undertake in relation to the brand.

The finding of a direct relationship between brand orientation and performance among behavioural studies identified in Table 2.1 may be attributed to the all-encompassing manner in which they view brand orientation. Given it captures such broad array of activities and actions, brand orientation may in one way or another be conducive to building brand equity. While conceptualising brand orientation in this all-encompassing fashion is useful and indicates that each driver is important, it however does not establish a clear mechanism for achieving

higher levels of brand equity, nor does it clarify the conceptual distinction between brand orientation and externally-focused branding actions (Baumgarth & Schmidt, 2010; Santos-Vijande et al., 2013; Hirvonen & Laukkanen, 2014). Indeed, Wong and Merrilees (2005, 2008), Baumgarth (2010), Baumgarth and Schmidt (2010), and Hirvonen and Laukkanen (2014) argue that brand orientation represents the prerequisite or starting point for building strong brands that captures the extent the firm emphasises branding and the focal brand and how this branding concept is institutionalised within the firm. In this sense, it appears that if the all-encompassing approach to conceptualising brand orientation is adopted, it may paint an unclear picture of how brand orientation is institutionalised and the underlying mechanism and sequential process through which it facilitates the development of strong brands (i.e., because we perform these activities, therefore we are brand-oriented versus because we are brand-oriented, therefore we engage in these other activities). Thus, it appears that when conceptualising brand orientation, greater attention needs to be directed at focusing on the activities that capture the firm's appreciation of the importance of branding and the focal brand.

2.2.2. Performance implications of brand orientation

As shown by most studies identified in Table 2.1, the literature generally observes that brand orientation leads to enhanced levels of performance, such as brand performance (Wong & Merrilees, 2007, 2008; Huang & Tsai, 2013; Hirvonen & Laukkanen, 2014) and economic performance (Baumgarth, 2010). A closer examination reveals that when measuring these performance outcomes, the indicators that conventionally underpin the brand equity concept are often

captured. For example, when measuring brand performance, Hirvonen and Laukkanen (2014) capture the indicators of brand awareness, brand loyalty and perceived quality. Similarly, when measuring business performance, Santos-Vijande et al. (2013) capture the indicators of sales, market share and profit. In this regard, it appears that in the context of capturing the performance implications of brand orientation, the concept of brand equity is often drawn upon. Thus, the underlying nature of brand equity and its role in the context of brand orientation is discussed in greater detail in the following section.

Brand equity

Brand equity generally relates to the added value that is accorded to a product or service by the brand (Farquhar, 1989; Yoo et al., 2000). This value stems from what happened to the brand in the past (i.e., antecedents such as marketing activities) and predicts what should happen to the brand in the future (i.e., consequences such as consumer evaluation of brand extension, price insensitivity, market share) (Keller, 2003). Some scholars argue that brands with high levels of brand equity are endowed with an increased utility that allows them to achieve greater sales volume or greater margins than they could if they were differently branded (Christodoulides & de Chernatony, 2010).

While there is consensus in the literature concerning the underlying concept of brand equity, a closer look at the branding literature however indicates that brand equity can generally be viewed from three perspectives (Ailawadi et al., 2003; Keller & Lehmann, 2006). The first perspective relates to consumer-based brand equity, which captures consumers' holistic evaluations of the brand that are

not attributable to product attributes, tapping instead the awareness, attitudes, associations and attachments consumers have towards the brand (Aaker, 1996; Keller, 1993; Huang & Sarigollu, 2012). Some scholars argue that brand equity exists when consumers attribute more value to the brand and behave more positively towards it than competing offerings (Vorhies et al., 2011). For example, they pay a premium for the favoured brand in preference over others, purchase it repeatedly, engage in favourable word-of-mouth behaviours, give consideration to offerings from the same brand and so on (Hutton, 1997; Kuhn, Alpert, & Pope, 2008; Kim & Hyun, 2011).

The second perspective views brand equity in terms of product market-based outcomes related to the brand. It captures the strategic achievements of the brand and assesses how successful the brand is in the marketplace (Ailawadi et al., 2003; O'Cass & Ngo, 2007a, b; Wong & Merrilees, 2008). These product market-based assessments measure the marketplace strength and success of a brand by tapping such indicators as sales, market share, profitability and price premium (Ailawadi et al., 2003; O'Cass & Ngo, 2007a, b; Huang & Sarigollu, 2012).

The third perspective relates to the financial- or firm-based brand equity, which assesses the objective value created by the brand to the firm or the objective value of the brand as a financial asset (Ailawadi et al., 2003; Keller & Lehmann, 2006). Some scholars argue that the estimation of such value is difficult because it involves a quantification of future potential, assessment of which is contingent on subjective judgement or stock market value, which is highly volatile (e.g., Snapple's sale price went from \$1.7 billion in 1994 to \$300 million in 1996 and then back to \$1 billion in 2000), and has less relevance to marketing because

such volatility can be explained by many other factors other than marketing activities (Ailawadi et al., 2003; Keller & Lehmann, 2006).

Among these different perspectives, the consumer perspective appears to have received the most support from scholars for two reasons. First, the financial value of brand equity is only the outcome of consumer responses to the brand, such that consumer perceptions and responses are the key driving forces that determine the market share, profitability and financial value of the brand (Keller & Lehmann, 2006; Leone, Rao, Keller, Luo, McAlister, & Srivastava, 2006; Christodoulides & de Chernatony, 2010). Second, consumer-based brand equity allows the assessment of the sources of brand equity and its consequences, plus a diagnostic capability that permits the prediction of the brand's future performance, a diagnostic tool that is not afforded by both product market and financial measures of brand equity (Gupta & Zeithaml, 2006; Stahl, Heitmann, Lehmann, & Neslin, 2012; Buil, de Chernatony, & Martinez, 2013). For instance, Ailawadi et al. (2003, p. 2) argue that product market and financial-based brand equity measures are diagnostic to the extent that "they can flag when a brand is in trouble and when it is strong, but they cannot explain the reasons for either situation." The position advanced by these scholars appears to support findings commonly observed in the brand orientation literature. For example, Wong and Merrilees (2008) find that when a brand creates awareness, projects a positive image, builds a solid reputation and has loyal customers, it reduces the costs of attracting new customers, which impacts the firm's financial performance such as sales growth, market share and profitability. Similarly, Baumgarth (2010) finds that brand orientation influences market performance tapping such aspects as customer

awareness and loyalty, which in turn affects economic performance tapping such aspects as profit and turnover. Thus, it can be seen that the marketplace performance and financial value of a brand is determined largely by the attitudinal and behavioural responses of consumers. Emphasis is therefore given to examining brand equity from the consumer perspective.

A closer look at the extant literature shows that while there is consensus about the underlying concept of consumer-based brand equity (Christodoulides & de Chernatony, 2010), the dimensions by which it is underpinned however are diverse and varied.

Table 2.2: Overview of studies – brand equity

Study	Context	Dimensions
Yoo et al. (2000)	B2C - Athletic shoes - Camera film - Colour television sets	<ul style="list-style-type: none"> • Perceived quality • Brand loyalty • Brand awareness with associations
Netemeyer, Krishnan, Pullig, Wang, Yagci, Dean, Ricks and Wirth (2004)	B2C - Colas - Coffee - Toothpaste - Athletic shoes - Jeans	<ul style="list-style-type: none"> • Perceived quality • Perceived value for the cost • Uniqueness • Willingness to pay
Lai, Chiu, Yang and Pai (2010)	B2B - Manufacturing sector - Service sector	<ul style="list-style-type: none"> • Brand awareness • Brand associations • Perceived quality • Brand loyalty • Brand satisfaction
Zhou et al. (2010)	B2C - Cell phones - Athletic shoes - Bottled water	<ul style="list-style-type: none"> • Brand quality • Brand leadership • Brand social signalling value
Biedenbach, Bengtsoon and Wincent (2011)	B2B - Professional service (auditing) sector	<ul style="list-style-type: none"> • Brand associations • Perceived quality • Brand loyalty
Kim and Hyun (2011)	B2B - IT software	<ul style="list-style-type: none"> • Brand awareness with associations • Perceived quality • Brand loyalty

Table 2.2: Overview of studies – brand equity (continued)

Valette-Florence, Guizani and Merunka (2011)	B2C	<ul style="list-style-type: none"> • Brand loyalty
	- Coffee	<ul style="list-style-type: none"> • Brand knowledge
	- Athletic shoes	<ul style="list-style-type: none"> • Social value
	- Cars	<ul style="list-style-type: none"> • Perceived quality
Golicic, Fugate and Davis (2012)	B2B	<ul style="list-style-type: none"> • Brand awareness
	- Logistics sector	<ul style="list-style-type: none"> • Brand image
Huang and Sarigollu (2012)	B2C	<ul style="list-style-type: none"> • Brand performance
	- Consumer-packaged goods category for household use	<ul style="list-style-type: none"> • Brand image
		<ul style="list-style-type: none"> • Brand judgment
		<ul style="list-style-type: none"> • Brand feelings
Buil et al. (2013)	B2C	<ul style="list-style-type: none"> • Brand awareness
	- Sportswear	<ul style="list-style-type: none"> • Perceived quality
	- Consumer electronics	<ul style="list-style-type: none"> • Brand associations
	- Cars	<ul style="list-style-type: none"> • Brand loyalty

As shown in Table 2.2, brand equity has been measured in different ways by different scholars under different contexts, spanning both consumer and industrial markets. For example, within the B2C context, Buil et al. (2013) measure brand equity through such dimensions as brand awareness, perceived quality, brand associations and brand loyalty to capture consumers' evaluation of sportswear, electronics and automobile brands. This approach to measuring brand equity differs from that of Huang and Sarigollu (2012) who assess consumers' evaluation of household consumer-packaged goods based on the dimensions of brand performance, brand image, brand judgment and brand feelings. Similarly, within the B2B context, Kim and Hyun (2011) include the dimension of brand awareness in their measurement of brand equity; however, this dimension is omitted in that of Biedenbach et al. (2011). A similar observation can also be made in the context of brand orientation where as discussed previously in Section 2.2.2, brand equity is often captured when assessing the performance effects of brand orientation. For example, Hirvonen and Laukkanen (2014) find that brand

orientation contributes to brand performance, which includes such aspects as launching new services and acquiring new customers; however, these performance indicators are not captured by Wong and Merrilees (2007, 2008), whose sample also includes services firms.

Importantly, Christodoulides and de Chernatony (2010, p. 61) argue that when assessing brand equity, a context-specific set of measures need to be selected because “the usefulness of different dimensions of brand equity is not uniform across diverse industries,” such that “a brand equity monitor should incorporate dimensions that drive value within the specific industry.” For this reason, Biedenbach et al.’s (2011) measurement of brand equity does not include the dimension of brand awareness (which differs from other B2B studies identified in Table 2.2) because they argue that the assessment of customer recall and recognition may not be necessary due to the limited number of providers within the professional auditing services sector. Similarly, Hirvonen and Laukkanen (2014) measure the performance effects of brand orientation by including indicators such as launching new services and acquiring new customers (which differ from Wong & Merrilees, 2007, 2008; Hankinson, 2012; Huang & Tsai, 2013) because they argue that within the fitness industry, customer retention and competition for customers’ time and money with a number of providers is a major problem for firms offering fitness and wellness services.

As such, it appears that in examining the performance implications of brand orientation, drawing on brand equity is critical since it is branding-specific and captures the outcomes of firms’ effort in building the additional value and incremental utility embedded in the brand that has important ramifications for

consumers. Capturing brand equity as such needs to be undertaken from the consumer perspective since it offers superior diagnostic capability. However, greater emphasis needs to be given to capturing the specific dimensions that relate to the context in which such brand equity is measured.

2.3. RESOURCE-BASED VIEW (RBV) OF THE FIRM

The RBV dictates that the heterogeneity of firm resources is the fundamental reason for the differences in advantages that firms gain in their marketplace (Penrose, 1959; Wernerfelt, 1984; Barney, 1991). Resources in this sense refer to all assets, capabilities, organisational processes, firm attributes, information, knowledge, and the like that are controlled by the firm which enable the conception and implementation of strategies that improve efficiency and effectiveness (Barney, 1991). Despite the conceptual and empirical advancement in explaining the resource-performance relationship (see Morgan, 2012; Kozlenkova, Samaha, & Palmatier, 2014), some scholars argue that explaining performance differentials between firms encompasses more than mere heterogeneity in firms' resource possession (e.g., Priem & Butler, 2001).

In particular, some scholars argue that it is capabilities, more than resources, that help some firms perform better than others (e.g., Teece, Pisano, & Shuen, 1997; Hult et al., 2005; Ngo & O'Cass, 2012). Capabilities in this sense refer to "an organisationally embedded non-transferrable firm-specific resource whose purpose is to improve the productivity of the *other* resources possessed by the firm" (Makadok, 2001, p. 389). They capture a firm's capacity to deploy

resources, usually in combination, using organisational processes to affect a desired outcome (Amit & Schoemaker, 1993).

Indeed, Eisenhardt and Martin (2000) argue that resources are of no real value to the firm in isolation; instead, their latent value can only be made available to the firm if and when deployed by capabilities. Similarly, Atuahene-Gima (2005, p. 63) notes that “competitive advantage results not from the mere possession and control of rare and valuable resources, but rather from the idiosyncratic internal competencies by which a firm translates its resources into superior customer value.” As such, the emerging view dictates that resources provide at best only the potential for the realisation of business goals and objectives, and without the development of capabilities which are subsequently drawn upon to deploy resources, business goals and objectives can never be realised (Atuahene-Gima, 2005; Hult et al., 2005; Vorhies et al., 2011).

Following these conceptual developments, Morgan (2012, p. 104) conceptualises resources as the raw materials for firms’ business and marketing strategies, in that they are “assets controlled by the firm that serve as inputs to organisational capabilities and thus have rent-earning potential” (Grant, 1991; Miller & Shamise, 1996). Resources are assets which are observable, not firm-specific, and can be valued and traded (Day, 1994; Murray, Gao, & Kotabe, 2011), such that “if the organisation were completely dissolved, its capabilities would also disappear, but its resources could survive in the hands of a new owner” (Makadok, 2001, p. 389). Such resources include, among other things, patents (Makadok, 2001), brand equity (Morgan, 2012), and market-based know-what

knowledge assets (Morgan et al., 2009b; O'Cass & Ngo, 2011a; Ngo & O'Cass, 2012), which can be traded, valued, and transferred from one firm to another.

Capabilities on the other hand are firm-specific, not observable, cannot be given a monetary value, and cannot be easily traded from one organisation to another without also transferring ownership of the organisation itself, or some reasonably self-contained subunit of the organisation (Day, 1994; Makadok, 2001; Murray et al., 2011). As noted earlier, the role of capabilities is to enhance the productivity or value of other resources held by the firm by 'activating' their potential through complex mobilisations of and interactions among the firm's resources (Amit & Schoemaker, 1993; Makadok, 2001). Capabilities as such relate to the performance of inter-related business routines and processes that mobilise bundles of resources for the realisation of a desired outcome (Amit & Schoemaker, 1993; Ngo & O'Cass, 2012).

An extensive list of capabilities can be identified in the resource-based literature, such as marketing (Vorhies & Morgan, 2005; Morgan et al., 2009b), innovation (Weerawardena & O'Cass, 2004; Ngo & O'Cass, 2012), and learning (Sok & O'Cass, 2011a). A closer look at the literature also shows that these capabilities tend to be function-specific, such that they relate to a specific type of function (e.g., product innovation, customer relationship management). However, among the capabilities identified in the literature, the role of brand management capability has been considered by many scholars as critical to building strong brands (e.g., Morgan et al., 2009a; Vorhies et al., 2011; O'Cass & Heirati, 2015). Thus, the integral role of brand management capability viewed from the resource-based perspective is explored in greater detail in the following section.

Brand management capability

Within the resource-based literature, the role of branding has also been incorporated into the view of a firm's capability as the performance of inter-related routines and processes that mobilise bundles of resources so that their potential value can be activated for the realisation of a desired outcome (Amit & Schoemaker, 1993; Makadok, 2001; Morgan, 2012). As shown in Table 2.3, there appears to be a lack of cohesion afforded by a shared or common terminology among scholars who examine branding from the resource-based perspective. For example, various terms such as brand management system (Santos-Vijande et al., 2013), branding capability (Merrilees et al., 2011), brand marketing capability (Sok & O'Cass, 2011b), and brand management capability (Vorhies et al., 2011) have been used interchangeably to focus on the firm's processes and routines in undertaking activities that are highly related to the brand or brand-focused. In spite of these terminological differences, there appears to be a consistent underlying theme that emerges from studies identified in Table 2.3 – they all contribute to a superior performance outcome, such as customer performance (Sok & O'Cass, 2011b), customer satisfaction (Orr, Bush, & Vorhies, 2011), and financial performance (Vorhies et al., 2011). While some studies find that brand management capability contributes directly to superior market-based performance outcomes, such as growth in margin, revenue, sales, and market share (Morgan et al., 2009a; Merrilees et al., 2011), others however find that the realisation of such outcomes occurs through the achievement of customer-based objectives.

For example, Orr et al. (2011) find that in a sample of consumer and industrial businesses and when coupled with marketing employee development capabilities, brand management capability affects customer satisfaction, which in turn influences market effectiveness as captured by growth in sales and market share. Likewise, in a sample of industrial services firms, Santos-Vijande et al. (2013) find that brand management capability allows firms to achieve greater customer satisfaction, loyalty and perceived value, which in turn contribute to business performance as captured by growth in sales, market share and profit. These findings appear to support discussions undertaken previously in Section 2.2.2, in that they suggest that brand management capability enables firms to achieve superior marketplace performance through the establishment of consumer-based brand equity. Thus, it can be seen from these findings that in building brand equity, the role of brand management capability is critical.

In achieving these performance outcomes, a closer examination suggests that brand management capability operates different roles. For example, brand management capability has been viewed as a standalone capability affecting a desired outcome, such as customer satisfaction (Orr et al., 2011); a moderator influencing the performance effects of other organisational factors, such as market-sensing (Morgan et al., 2009a) and service value offering (Sok & O'Cass, 2011b) capabilities; or a mediator that transmits the performance effects of other organisational factors, such as innovativeness (Santos-Vijande et al., 2013) and market orientation (O'Cass & Heirati, 2015).

Table 2.3: Overview of studies – brand management capability

Study	Independent	Definition	Measure examples	Dependent	Key finding
Lee et al. (2008)	Brand management system	A set of any systems, organisational structure, or culture of a firm supporting brand building activities	<ul style="list-style-type: none"> - CEO's interest in brand - Brand information sharing within firm - Brand education for employees - Employee's effort to understand branding - Information acquisition, analysis, and implementation system - Performance evaluation system 	<p>Customer performance</p> <ul style="list-style-type: none"> - Brand awareness - Brand image - Customer satisfaction <p>Financial Performance</p> <ul style="list-style-type: none"> - Sales growth - Market share - Return on investment 	Brand management system influences customer performance, which in turn influences financial performance.
Morgan et al. (2009a)	Brand management capability (BMC)	The processes and activities that enable a firm to develop, support, and maintain strong brands	<ul style="list-style-type: none"> - Using customer insights to identify valuable brand positioning - Establishing desired brand associations in customers' minds - Leveraging brand equity into preferential channel options - Tracking brand image and awareness among target customers 	Revenue and margin growth rates (objective data)	BMC relates positively to revenue growth rate but negatively to margin growth rate. However, when coupled with market-sensing capability, the positive effect of BMC on revenue growth rate is elevated while its negative effect on margin growth rate attenuated.
Merrilees et al. (2011)	Branding capability	Not provided	<ul style="list-style-type: none"> - Use branding as an operational tool - Treat brands as assets - Identify a simple brand meaning - Communicate a consistent brand meaning 	<p>Marketing performance</p> <ul style="list-style-type: none"> - Growth in sales revenue - Acquire new customers - Greater market share 	Branding capability has a positive influence on marketing performance.
O'Cass and Ngo (2011b)	Branding capability	A firm's capacity to mobilise a bundle of interrelated organisational routines to performing branding activities such as communication, pricing, and distribution.	<ul style="list-style-type: none"> - We have a system in place for getting stakeholders' feedback to the people who can make changes to the brand - We develop marketing programs that send consistent messages about our brand to our stakeholders - Our brand name is an expression of what the brand does and the values it represents 	<p>Customer satisfaction</p> <ul style="list-style-type: none"> - Customer preferences are satisfied - Deliver products/services that are exactly what customers want - Deliver products/services that exceed customers' expectations 	Branding capability has a positive impact on customer satisfaction.
Orr et al. (2011)	Brand management capabilities	The firm's ability to create and sustain reputational brand assets	<ul style="list-style-type: none"> - Routinely use customer insight to identify valuable brand positioning - Maintain a positive brand image relative to competitors - Achieve high levels of brand awareness in the market on a regular basis 	<p>Customer satisfaction</p> <ul style="list-style-type: none"> - Meet customer expectations - Meet customer ideals <p>Market effectiveness</p> <ul style="list-style-type: none"> - Market share growth - Sales growth 	Marketing employee development capabilities positively moderate the relationship between brand management capabilities and (a) customer satisfaction and (b) market effectiveness.

Table 2.3: Overview of studies – brand management capability (continued)

Study	Independent	Definition	Measure examples	Dependent	Key finding
Sok and O’Cass (2011b)	Brand marketing capability	The routines and processes firms have in place to market the firm’s brand by implementing branding activities that focus on pricing, distribution, marketing communications, personal selling, and marketing planning	<ul style="list-style-type: none"> - Advertising and promotion - Public relation - Personal selling - Pricing - Creating and managing durable customer relationship 	Perceived value-in-use <ul style="list-style-type: none"> - Product/service quality - Service support - Personal interaction - Relationship value Customer-based performance <ul style="list-style-type: none"> - Acquiring new customers - Increasing sales to existing customers - Retaining current customers 	Brand marketing capability positively enhances the relationship between value offering and perceived value-in-use, which in turn influences customer-based performance.
Vorhies et al. (2011)	Brand management capabilities	The firm’s ability to effectively deploy reputational resources and create, sustain and grow reputational brand assets	<ul style="list-style-type: none"> - Routinely use customer insight to identify valuable brand positioning - Consistently establish desired brand associations in consumers’ minds - Maintain a positive brand image relative to competitors 	Financial performance (objective data)	Brand management capabilities relate positively to objective financial performance.
Santos-Vijande et al. (2013)	Brand management system (BMS)	An organisational dynamic capability that allows firms to continuously adapt to the rapid pace of market evolution leading to the sustained development of strong brands	<ul style="list-style-type: none"> - Brand decisions are a very important element in the firm’s business strategy - The different areas or departments of the firm share information about the brand - The firm has a well-coordinated, multidisciplinary team to manage its brand 	Customer performance <ul style="list-style-type: none"> - Customer satisfaction - Customer loyalty - Improved image - Customer retention Business performance <ul style="list-style-type: none"> - Sales growth - Market share growth - Profits growth 	BMS positively affects business performance through customer performance.
O’Cass and Heirati (2015)	Brand management capability	The firm’s capacity to build and maintain strong brands in customers’ minds	<ul style="list-style-type: none"> - Brand image management - Establishing desired brand associations in customers’ minds - Maintaining a positive brand image relative to competitors - Achieving high levels of brand awareness 	New product performance (NPP) <ul style="list-style-type: none"> - Revenue - Sales growth - Market share - Return on investment - Profitability 	Brand management capability (1) mediates the relationship between market orientation and NPP; (2) interacts with marketing mix capability (MMC) to influence NPP; and (3) interacts with MMC and customer relationship management capability to influence NPP.

Notwithstanding its performance benefits, an examination of studies identified in Table 2.3 shows that the underlying mechanism through which brand management capability contributes to the development of strong brands remains unclear, which appears to be attributable to the inconsistent manner in which it has been viewed in the extant literature. For example, Santos-Vijande et al. (2013) view brand management system as a dynamic capability that adopts a brand-supporting culture, aligns employee behaviour with the brand, and allocates resources to managing the brand, all of which are essentially activities undertaken internally within the firm. However, they find that such brand management capability drives superior customer performance. This finding is surprising because by the authors' own admission, "the brand management system seeks to help managers to gain a clearer picture of how best to manage the brand internally (and) constitutes the basic internal management infrastructure that sustains first the brand-building activities and, subsequently, brand equity creation" (p. 154). However, it remains unclear as to how such internal brand management activities actually create external brand equity since they appear to be purely internally-oriented and lack the external relevance that some scholars highlight as critical to building strong brands (e.g., Baumgarth, 2010; Baumgarth & Schmidt, 2010; Hirvonen & Laukkanen, 2014). Similarly, Merrilees et al. (2011) appear to view branding capability as a constellation of both internal and external branding activities, given their measures tap such branding aspects as treating brands as assets, using branding as an operational tool and communicating a consistent brand meaning. This view of branding capability appears to reflect the issues raised in Section 2.2.1, in that confusion remains as to how such capability of the firm actually differs from brand orientation since in addition to capturing the

external branding activities that drive marketplace performance, their measures also reflect the firm's appreciation of the importance of branding and the focal brand.

Further, some studies identified in Table 2.3 view brand management capability from the marketing mix perspective, focusing primarily on such elements as pricing and distribution. For example, while O'Cass and Ngo's (2011b) measures are operationalised in a much broader and more global sense that seems to tap the essence of brand management (da Silveira, Lages, & Simoes, 2013; Santos-Vijande et al., 2013), they however do not appear to reflect the marketing mix focus that is captured in their definition. Conversely, Sok and O'Cass' (2011b) measures are operationalised in a more narrow sense, such that they are consistent with the marketing mix focus that is embedded in their definition. However, their definition appears to lack a solid brand management focus because they fail to connect these specific activities to the underlying practice of brand management, which, according to the American Marketing Association (AMA), involves identifying and differentiating a brand in an increasingly crowded marketplace (da Silveira et al., 2013). In this sense, the conceptual and operational distinction between the performance of these marketing activities and those of brand management is unclear. Thus, confusion may arise as to how the performance of these marketing activities differs from those of brand management since these marketing activities may easily be construed as similar to those embedded in the firm's marketing capability (e.g., Vorhies & Morgan, 2005).

A closer examination also reveals a critical issue evident in Morgan et al. (2009a), Orr et al. (2011), Vorhies et al. (2011), and O’Cass and Heirati (2015). Specifically, the definition of brand management capability advanced by these authors pertains to the firm’s ability to create, sustain and grow strong brands. This definition appears to be tautological because essentially, it suggests that firms have strong brands (as captured by performance indicators) because of their ability to build strong brands. As such, the underlying mechanism through which strong brands are built remains conceptually unclear. However, its associated measures appear to attenuate the severity of this tautological issue because by suggesting that when firms, for example, achieve high levels of brand awareness, establish appropriate brand associations, and maintain a positive brand image in consumers’ minds, they are able to build strong brands. Thus, the body of work established by Morgan et al. (2009a), O’Cass and Ngo (2011b), Orr et al. (2011), Vorhies et al. (2011), and O’Cass and Heirati (2015) appears to provide a solid foundation since their measures are more relevant to the underlying practice of branding. However, further conceptual tweaks may be necessary to avoid tautology and ensure consistency between definition and measurement is achieved.

As such, it appears that the conceptualisation of brand management capability is in need of a much stronger brand management focus to capture the externally-focused branding initiatives that are conceptually distinct from the marketing-mix activities captured in the firm’s marketing capability. These externally-focused branding initiatives may also need to be underpinned by a conceptual definition that facilitates a much better and clearer appreciation of the specific mechanism through which higher levels of brand equity is achieved.

2.4. THEORY OF MARKETING CONTROL

According to Jaworski et al. (1993, p. 58), marketing control refers to “attempts by managers or other stakeholders within the organisation to influence the behaviour and activities of marketing personnel to achieve desired outcomes.” The purpose of such control is to ensure employee behaviour and (ultimately) firm actions do not deviate from the interests of the firm as a whole (Auh & Menguc, 2007). Jaworski (1988) identifies two types of controlling mechanisms. Formal controls are “written, management-initiated mechanisms that influence the probability that employees or groups will behave in ways that support the stated marketing objectives” (Jaworski, 1988, p. 26). Examples of formal controls include employee training, strategic planning, resource allocations, operating procedures, discipline or rewards, structure, and performance standards (Schwepker & Hartline, 2005). Informal controls, on the other hand, are “unwritten, typically worker-initiated mechanisms that influence the behaviour of individuals or groups in marketing units” (Jaworski, 1988, p. 26). Examples of informal controls include culture, group norms, personal goals, and social interaction (Schwepker & Hartline, 2005).

2.4.1. Structure and leadership as organisational controls

Within the control literature, formal controls have been the focus of considerable research (e.g., Cardinal, 2001; Piercy et al., 2006; Auh & Menguc, 2007; Poskela & Martinsuo, 2009). Bonner (2005), Atuahene-Gima and Li (2006), and Brach, Walsh, Hennig-Thurau, and Groth (2015) argue that formal controls written and initiated by the management are more capable of increasing and

directly influencing the probability of employees behaving in ways that support the stated managerial objectives than informal controls. The view advanced by these authors is consistent with that of Jaworski (1988) and Jaworski and MacInnis (1989) who argue that given informal controls are typically worker-initiated, they may or may not be consistent with the stated marketing objectives of the firm.

According to Jaworski and MacInnis (1989) and Jaworski et al. (1993), formal controls generally consist of process and output controls. Process controls are exercised when firms attempt to influence the means of achieving desired ends (Jaworski et al., 1993). They specify behavioural guidelines to ensure work activities are proceeding in accordance with defined procedures (Cardinal, 2001; Bonner, 2005; Poskela & Martinsuo, 2009). Output controls, on the other hand, are used when firms set performance standards, results against which are monitored and evaluated (Jaworski et al., 1993; Bonner, 2005). They are administered in the form of incentives such as rewards which seek to motivate employees to direct their actions towards achieving performance goals (Bonner, 2005; Atuahene-Gima & Li, 2006; Poskela & Martinsuo, 2009).

The literature notes that organisational structure fits the profile of a controlling mechanism because formal, process-based control consists of attempts by the organisation to influence and shape the behaviour of individuals or groups for the achievement of a desired outcome (Jaworski, 1988; Cardinal, 2001). Similarly, leaders represent an important source of control because such management-initiated, outcome-based activities as specifying the activities employees are expected to perform, monitoring their behaviour, evaluating their

performance, and administering rewards and punishments on the basis of the performance of specified activities are critical to ensuring their behaviour is aligned with and contribute to the achievement of the firm's objectives (Cravens, Ingram, LaForge, & Young, 1993; Atuahene-Gima & Li, 2006; Piercy et al., 2006; Morhart et al., 2009; Rigopoulou et al., 2012; Punjaisri et al., 2013).

Therefore, in line with the conceptual underpinning of the control theory and building on the knowledge gaps identified in Section 1.3, the three most widely studied structural characteristics in the marketing literature – formalisation, centralisation, and departmentalisation (e.g., Jaworski & Kohli, 1993; Matsuno, Mentzer & Ozsomer, 2002; Kirca, Jayachandran, & Bearden, 2005), and brand-specific transactional leadership (TRL) (e.g., Morhart et al., 2009; Punjaisri et al., 2013) are considered in this study. Their roles within the context of marketing control theory are explored in greater detail in the following sections.

2.4.2. Formalisation

Formalisation is defined as “the degree to which rules define roles, authority relations, communications, norms, and procedures” (Jaworski & Kohli, 1993, p. 56). It generally refers to “the emphasis placed within the organisation on following specific rules and procedures in performing one's job” (Zaltman, Duncan, & Holbek, 1973, p. 138). While there is consensus in the literature concerning the underlying role of formalisation, its performance implications however are diverse and varied.

For example, Matsuno et al. (2002) find that entrepreneurial proclivity is negatively related to formalisation because the emphasis on work rules and

procedures is detrimental to the pursuit of entrepreneurial opportunities that require risk-taking, exploration, and out-of-the-box thinking. This finding appears to contrast those of Jansen, Van Den Bosch and Volberda (2006) and Auh and Menguc (2007). Specifically, Jansen et al. (2006) find that because firms pursuing exploitative innovation focus primarily on broadening existing knowledge and reinforcing existing skills and processes, formalisation is beneficial since it reduces variance through standardised activities and codified best practices that are more efficient to exploit, easier to apply, and quicker to implement. Similarly, Auh and Menguc (2007) find that firms pursuing customer orientation achieve greater firm performance with a formalised structure because its transparent rules and scripts provide a clear road map that minimises redundancy and confusion on how to deliver customer orientation, thus leading to superior firm performance.

In light of these inconsistent findings, a closer examination reveals that these mixed results are due in large part to the strategic focus of the firm and context in which formalisation is deployed, such that firms pursuing different strategies require different levels of formalisation. For example, Olson et al. (2005) find that an informal structure is more beneficial for firms pursuing a prospector strategy because the lack of rigid rules and policies provides the discretion and room for creativity the firms need to develop innovative new products and enter new markets. Similarly, Vorhies and Morgan (2003) find that to maintain secure positions in established markets, firms pursuing defender strategies require formalised work routines to minimise errors in executing required activities. Conversely, to enter unfamiliar new markets and attain differentiation-based advantages, firms pursuing prospector strategies require an informal structure that

provides the work routine flexibility needed to provide timely and innovative responses in dynamic markets (Walker & Ruekert, 1987).

Likewise, Menguc and Auh (2010) find that when firms execute radical product innovation capability (i.e., developing new-to-the-world product innovations through significant alteration of existing products), an informal structure that supports creativity, experimentation, exploration, and variance-seeking is more beneficial for achieving superior new product performance than a formal structure that hinders the firm from being fluid and flexible due to its rigidity and pre-specified work practices. Conversely, when firms execute incremental product innovation capability (i.e., developing product innovations that exploit, leverage, reconfigure, and integrate existing technologies), a formal structure that standardises processes to minimise ambiguity and variability and facilitate expedited operations and decision-making contributes to new product performance while an informal structure that puts more emphasis on risk-taking and experimentation harms new product performance.

In achieving these outcomes, formalisation appears to operate different roles. For example, formalisation has been viewed as a structural manifestation of a firm's strategic orientation (Matsuno et al., 2002); an organisational antecedent to the development of firm capabilities, such as exploratory and exploitative innovation (Menguc & Auh, 2010); or a moderator affecting the performance effects of other organisational factors, such customer orientation (Auh & Menguc, 2007) and exploratory and exploitative innovation (Menguc & Auh, 2010).

2.4.3. Centralisation

Centralisation is defined as “the inverse of the amount of delegation of decision-making authority throughout an organisation and the extent of participation by organisational members in decision-making” (Jaworski & Kohli, 1993, p. 56). Within a highly centralised organisation, decision making takes place at upper managerial levels, with limited involvement of and decision-making authority delegated to lower level personnel (Cadogan, Morgan, & Story, 2006). On the contrary, decentralisation is argued to foster the incorporation of a greater number of individuals and organisational levels into the process of decision-making (Hall & Saias, 1980; Robbins, 1990; Claver-Cortes, Pertusa-Ortega, & Molina-Azorin, 2012).

While there is consensus in the literature concerning the underlying nature of centralisation, its performance implications however are diverse and varied. For example, Jansen, Simsek and Cao (2012) find that organisational-level centralisation weakens the influence of a unit’s ambidexterity on its financial performance because it reduces the amount and quality of information obtained by upper-level decision-makers from unit managers (Ruekert & Walker, 1987; Gibson & Birkinshaw, 2004), thus leading to incomplete assessments of the feasibility and risks involved in matching units’ ambidextrous behaviours to market opportunities. Further, they argue that centralisation restricts the timely adaptation of units to market changes because it provides less discretion for unit managers to respond quickly to market opportunities and threats (Birkinshaw & Lingblad, 2005). However, Cardinal (2001) finds that centralisation is positively related to drug enhancement innovation because it improves information-

processing efficiency when exploiting familiar skills and familiar problems building on existing drug platforms. Similarly, Atuahene-Gima (2003) finds that decentralisation (centralisation) is negatively (positively) related to product development speed because it is difficult to gain consensus among different people with different sets of ideas for problem-solving, particularly when speed of product development is crucial.

A closer examination however reveals that these mixed results are due in large part to the strategic focus of the firm and context in which centralisation is deployed. For example, Vorhies and Morgan (2003) find that in order to maintain secure positions in established markets, centralisation provides defender firms with the narrow focus to control the deployment of available resources. Similarly, Kabadayi, Eyuboglu and Thomas (2007) find that firms are more centralised when pursuing cost leadership strategies and operating in simple environments because centralisation is more appropriate in stable environments and supports the cost leader's need for better coordination and control as well as minimisation of risk and administrative costs. However, they find that firms are more decentralised when they are pursuing differentiation strategies and operating in dynamic environments because decentralised structures are needed to respond to fast-changing environments and support the differentiator's need to be aware of competitors' actions and close to a variety of customers (Miller, 1987).

In achieving these outcomes, centralisation appears to operate different roles. For example, centralisation has been viewed as a standalone organisational factor affecting a performance outcome, such as product development speed (Atuahene-Gima, 2003); a structural manifestation of a firm's strategic orientation

(Vorhies & Morgan, 2003); an organisational antecedent to the development of firm capabilities, such as exploratory innovation (Jansen et al., 2006); or a moderator affecting the performance effects of other organisational factors, such as a unit's ambidextrous behaviour (Jansen et al., 2012).

2.4.4. Departmentalisation

Departmentalisation refers to “the extent to which members of departments are isolated from interdepartmental interactions” (Matsuno et al., 2002, p. 20). According to Matsuno et al. (2002), departmentalisation is synonymous with specialisation, which generally refers to the extent to which a breadth of tasks is confined to a predetermined domain (Ruekert, Walker, & Roering, 1985; Kohli & Jaworski, 1990), because both tap the extent of interdepartmental alienation, connectedness and conflict. Departmentalisation may as such be conceptually synonymous with such specialisation-related constructs as structural differentiation (which refers to the subdivision of organisational tasks and domains across units; Jansen et al., 2012) and structural complexity (which refers to the degree of differentiation between units based on roles and functions performed; Pertusa-Ortega, Zaragoza-Saez, & Claver-Cortes, 2010; Claver-Cortes et al., 2012). Thus, while different terms are used, they converge and relate to the degree of formal and informal direct contact among employees across departments.

While there is consensus in the literature concerning the underlying nature of departmentalisation, its performance implications however are diverse and varied. For example, Matsuno et al. (2002) find that departmentalisation is

negatively related to market orientation because it is inconsistent with the goal of market orientation that requires organisation-wide, continuous learning of the market. Sharing the same sentiment, Jansen et al. (2012) argue that structural differentiation can lead to inconsistent goal orientations across units, inter-unit conflict due to competition for parent organisation's attention and resources, and hamper inter-unit information exchange, sharing and learning.

However, Pertusa-Ortega et al. (2010) find that greater structural complexity increases the firm's knowledge performance because it is conducive to enhancing the efficiency of knowledge application and exploitation since employees are able to absorb new ideas more quickly given their base of prior knowledge and common understanding. Similarly, Claver-Cortes et al. (2012) find that structural complexity is conducive to developing a hybrid strategy that combines both differentiation and cost leadership approaches because it can generate more new ideas and knowledge (for reducing costs or favouring differentiation) since units divided on the basis of functional expertise facilitate the identification of diverse information and perspectives of problem-solving.

In light of these inconsistent findings, a closer examination reveals that these mixed results are due in large part to the strategic focus of the firm and context in which departmentalisation is deployed. For example, Vorhies and Morgan (2003) find that firms implementing defender strategies focus primarily on achieving cost-based advantages in established markets, thus creating departmentalised structures with team workflows is not an efficient way to achieve business goals given the high costs associated with hiring specialists (Walker & Ruekert, 1987). Conversely, Kabadayi et al. (2007) find that firms are

more departmentalised when they are pursuing differentiation strategies because departmentalisation provides a wider range of unique skills and well-defined division of labour to perform complex activities. Their finding is consistent with that of Olson et al. (2005) who find that firms pursuing prospector strategies require more specialists with more detailed knowledge about particular techniques, products or customers to develop innovative new products and enter new markets.

In achieving these different outcomes, departmentalisation appears to operate different roles. For example, departmentalisation has been viewed as a standalone organisational factor affecting a performance outcome, such as knowledge performance (Pertusa-Ortega et al., 2010); a structural manifestation of a firm's strategic orientation (Kabadayi et al., 2007); or an organisational antecedent to the development of firm capabilities, such as organisational ambidexterity (Jansen, Tempelaar, van den Bosch, & Volberda, 2009b).

2.4.5. Brand-specific TRL

Within the context of branding and building on the work of Bass (1985), Morhart et al. (2009, p. 124) define brand-specific transactional leadership (TRL) as “a leader's approach to motivating his or her followers to act on behalf of the corporate brand by appealing to a contingency rationale in followers' minds.” Two key types of behaviours are generally associated with brand-specific transactional leaders: (a) contingent reward and (b) management by exception. More specifically, they exert their influence through (a) specifying behavioural standards for appropriate exertion of followers' roles as brand representatives for all situations and offering rewards when role expectations are met; and (b)

clarifying what constitutes ineffective brand representative performance, monitoring employees for deviation and mistakes, and taking corrective actions through punishments when they occur (Morhart et al., 2009; Punjaisri et al., 2013).

While there is consensus in the literature concerning the underlying nature of TRL, its performance implications however are diverse and varied. For example, Jansen, Vera and Crossan (2009a) find that TRL is positively related to exploitative innovation because it provides the focus and discipline that individuals need to concentrate on efficiency and to become consistently better at performing current routines since exploitative innovation focuses mainly increasing efficiency in current practices and incremental refinements on existing innovation trajectories. However, Herrmann and Felfe (2014) find that given the focus of TRL on monitoring deviations from rules and standards, it is detrimental to generating creative outputs of excellence and quality because creativity often requires deviation from standards (Ford, 1996). They add that the prolonged use of TRL may inhibit creativity altogether since it fosters intimidation and discourages initiation and creativity (Bowerman & Van Wart, 2011).

In light of these inconsistent findings, a careful examination reveals that these mixed results are due in large part to the strategic focus of the firm and context in which TRL is deployed. For example, Jansen et al. (2009a) find that when firms engage in exploratory learning, which is largely unpredictable and requires flexibility, opportunism and adaptability (Caldwell & O'Reilly, 2003), the role of TRL is detrimental because not only does it motivate individuals to focus on achieving specific objectives to the detriment of innovative and creative outcomes (Shipton, Fay, West, Patterson, & Birdi, 2005), it also prevents

followers from taking risks and trying new approaches. Conversely, Morhart et al. (2009) find that in the context of cultivating follower compliance, TRL is critical because by conforming, followers can expect to gain specific rewards or approval and avoid specific punishments or disapproval. However, they find that in the context of encouraging brand-building behaviour among followers, TRL is detrimental because it sparks feelings of pressure and control which undermine followers' belief in their abilities and autonomy to perform their work roles. Depriving followers of these psychological needs in turn discourages them from staying with and engaging in positive word-of-mouth behaviour for the organisation. Likewise, Nahum-Shani and Somech (2011) find that TRL is detrimental to eliciting organisational citizenship behaviour among allocentric individuals because they view themselves as inseparable from their in-group members and are more concerned with group maintenance and solidarity than personal rewards. Their result is similar to that of Morhart et al. (2009) who find that because TRL concentrates on the individual instead of the collective unit, it plays no role in influencing followers' relatedness to the corporate brand community.

In achieving these different outcomes, TRL appears to operate different roles. For example, TRL has been viewed as a standalone organisational factor affecting a performance outcome, such as quantitative creativity (Herrmann & Felfe, 2014) and employee brand-building behaviour (Morhart et al., 2009); or an organisational antecedent to the development of firm capabilities, such as exploratory and exploitative innovation (Jansen et al., 2009a).

2.4.6. Concluding comments on the performance implications of structural and leadership controls

This section summarises and brings to attention the key observations pertaining to the influences of formalisation, centralisation, departmentalisation and brand-specific TRL. Given the nature and role of these organisational factors, the analysis of the literature suggests that they fit the profile of a controlling mechanism. Specifically, formalisation, centralisation, and departmentalisation can be seen as management-initiated process controls because the management's decision to implement (1) a formalised structure specifies and prescribes the rules and procedures by which employees abide for guidance on their behaviour (e.g., Jaworski, 1988); (2) a centralised structure concentrates decision-making authority at top management levels and limits organisation-wide involvement and participation in decision-making processes (e.g., Auh & Menguc, 2007); and (3) a departmentalised structure limits the extent of interdepartmental interaction and communication among employees (e.g., Matsuno et al., 2002). Likewise, brand-specific TRL can be seen as a management-initiated output control because the prescription of rewards and punishments aligns employee actions with the fulfilment of expected performance standards (e.g., Atuahene-Gima & Li, 2006).

While these structural and leadership characteristics appear to fit the profile of process and output controls respectively, an analysis of the literature suggests that they may not universally contribute to achieving a desired end. Instead, their performance implications may yield either positive or negative outcomes, the end result of which is contingent largely on the strategic focus of the firm and context in which they are deployed.

2.5. CONCLUSION

The role of brand orientation in enabling firms to achieve higher levels of brand equity is well documented in the literature. However, as discussed in Section 1.3, the specific process through which brand orientation contributes to higher levels of brand equity remains largely unclear. As the review presented in this chapter shows, this knowledge gap may be attributed to the all-encompassing manner in which brand orientation has been viewed in the extant literature, which obfuscates the conceptual distinction that distinguishes it from externally-focused branding actions and the sequential process through which it leads to higher levels of brand equity. Similarly, the market-linking nature of brand management capability is widely acknowledged as critical to helping firms to achieve higher levels of brand equity. However, as the review presented in this chapter indicates, how it actually affects brand equity remains largely unclear, which may be due in large part to the inconsistent and tautological manner in which it has been viewed in the extant literature. The roles of organisational structure (formalisation, centralisation, and departmentalisation) and leadership style (brand-specific TRL) have also been examined through the theoretical lens of marketing control. As the review presented in this chapter shows, these structural and leadership controls may be viewed as either an impediment or a facilitator, depending on the strategic focus of the firm and context in which they are deployed. Building on the foundation that this chapter provides, further theoretical development is undertaken in the following chapter to establish the roles of brand orientation, brand management capability and controlling mechanisms to determine how they interrelate and translate into higher levels of brand equity.

CHAPTER THREE

THEORY AND HYPOTHESES DEVELOPMENT

3.1. INTRODUCTION

The literature review presented in Chapter Two identifies and discusses recent developments in the bodies of knowledge pertaining to brand orientation (including brand equity), the RBV (including brand management capability) and the marketing control theory (including formalisation, centralisation, departmentalisation and brand-specific TRL). Wacker (1998) argues that the knowledge foundation drawn from such review is fundamental to establishing the necessary basis for theory development, clarity of which is further emphasised by Ketchen and Hult (2011, p. 481, *italics added*) because:

“First, theory can provide *description* of relationships between variables. Second, theory can enable *prediction* of important outcomes. Third, theory can allow *explanation* of why variables are related in certain ways.”

As such, the key objective of this chapter is to develop the theoretical framework within which this study proceeds so that the research questions previously identified in Chapter One can be addressed. In doing so, the knowledge foundation provided by the review undertaken in Chapter Two is drawn upon and a stepwise approach undertaken for the development of a research model, individual components and hypotheses embedded within which are also examined to articulate relationships among constructs of interest. Following this, a summary of the research model is presented, before this chapter concludes with comments.

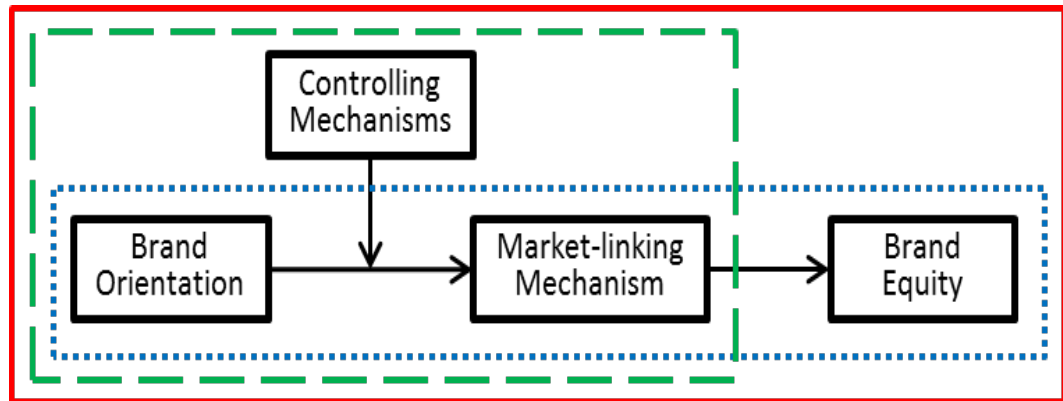
3.2. MODEL DEVELOPMENT

As discussed in Chapter One, the role of brand orientation has been touted by some scholars as critical to helping firms to achieve higher levels of brand equity due to the significant branding focus it provides (e.g., Urde et al., 2013). However, some scholars argue that brand orientation alone may not contribute to higher levels of brand equity because firms are not equipped with a market-linking mechanism that enables them to link with customers through the brand (*RQ1*) (e.g., Hirvonen & Laukkanen, 2014). Further, some scholars argue that to achieve higher levels of brand equity, firms may also need to be equipped with controlling mechanisms that generate the sense of consistency fundamental to branding to facilitate the process through which branding actions are enacted (*RQ2*) (e.g., Reid et al., 2005). In this sense, the interplay among the firm's brand orientation and market-linking and controlling mechanisms may be the key to achieving higher levels of brand equity (*RQ3*).

These contentions are couched in the theoretical framework outlined in Figure 3.1. Underpinned by the RBV, the blue dashed area represents the underlying component that examines the role of market-linking mechanism in helping brand-oriented firms to achieve higher levels of brand equity. Guided by the marketing control theory, the green dashed area represents the moderating component that examines the role of specific controlling mechanisms in facilitating the enactment of branding actions. The red solid area represents the integrated component that examines the interplay among brand orientation and market-linking and controlling mechanisms as the key to achieving higher levels of brand equity. In sections that follow, emphasis is given to unpacking this

theoretical framework in a stage-by-stage manner by articulating how and why constructs of interest embedded in each component are logically tied to culminate in the establishment of an integrated framework for achieving brand management superiority.

Figure 3.1: The theoretical framework



3.2.1. Model Development Stage One – The Underlying Component

As discussed in Section 1.3, while the significant role of brand orientation in enabling firms to achieve higher levels of brand equity is increasingly being acknowledged (e.g., Urde, 1999; Wong & Merrilees, 2007; Huang & Tsai, 2013), little is still known about how it actually contributes to higher levels of brand equity. As discussed in Section 2.2.1, the lack of knowledge in this area can be attributed largely to the ongoing confusion that obscures the conceptual clarity between the firm's institutionalisation of the branding concept and externally-focused branding actions (e.g., Baumgarth, 2010; Baumgarth & Schmidt, 2010; Hirvonen & Laukkanen, 2014). This lack of clarity also obscures our understanding of the mechanisms and processes through which brand orientation contributes to higher levels of brand equity.

As highlighted in Section 2.2, brand orientation emphasises a firm's brand-building initiative of not only satisfying consumer wants and needs but also lending a greater strategic significance to the brand (Baumgarth et al., 2013; Urde et al., 2013). Further, brand orientation is often regarded as "market orientation plus" (Urde, 1999; M'zungu et al., 2010; Gromark & Melin, 2013) due to its distinct markers of organisation-wide (1) customer focus, (2) commitment to the brand and (3) conditional response to consumer wants and needs within the limits of the core brand identity. Indeed, for the brand to remain relevant, knowledge about the market needs to be generated on a continuous basis so that opportunities for growing and developing the brand can be identified (da Silveira et al., 2013; Urde et al., 2013). Further, for the brand to embody the core around which firm strategies and processes revolve, knowledge pertaining to the brand needs to be disseminated throughout the organisation so that an organisation-wide understanding of what the brand stands for and the values it represents can be developed (Urde, 1999; Wong & Merrilees, 2007; Evans et al., 2012). Also, for the integrity of the core brand identity to be safeguarded, brand and market knowledge needs to be juxtaposed with each other and synthesised so that only opportunities that fit within the core brand identity framework are pursued (Nedergaard & Gyrd-Jones, 2013; Hirvonen & Laukkanen, 2014).

As such, drawing from the brand orientation literature, brand orientation is defined in this study as a firm's brand-building initiative, captured by its knowledge-producing behaviours focused on the generation, dissemination and synthesis of brand-building knowledge directed at initiating the brand-building process. In line with prior research (e.g., Wong & Merrilees, 2007; Baumgarth,

2010; Baumgarth & Schmidt, 2010; Hirvonen & Laukkanen, 2014), brand orientation as such captures the firm's appreciation of the importance of branding (i.e., brand-building initiative) through its engagement in behaviours directed at generating, disseminating and synthesising the required brand-building knowledge for initiating the brand-building process. Consistent with the discussion undertaken in Section 2.2.1, conceptualising brand orientation in this manner focuses on the implemented activities that capture the firm's institutionalisation of the branding concept which emphasises and considers branding a significant issue in business decision and direction (Wong & Merrilees, 2007; Baumgarth, 2010). The approach adopted here is also consistent with that of market orientation which focuses on the implemented activities that institutionalise the marketing concept which emphasises the importance of understanding and satisfying customer needs (Kohli & Jaworski, 1990; Day, 1994; Kirca et al., 2005).

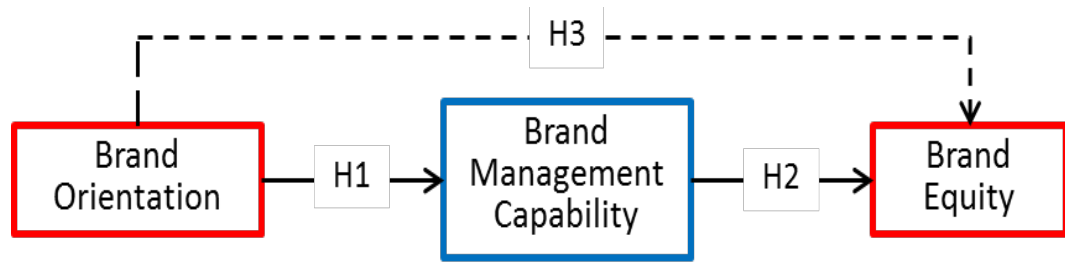
Further, as discussed in Section 2.3, the underlying mechanism through which brand management capability contributes to higher levels of brand equity remains unclear because it lacks focus that distinguishes externally-focused branding actions from marketing mix activities. Critically, according to the branding literature and the American Marketing Association (AMA), branding entails mechanisms that facilitate the identification and differentiation of a brand in an increasingly crowded marketplace (da Silveira et al., 2013). For example, Aaker and Joachimsthaler (2000) argue that in order to develop strong brands, firms should organise marketing actions around creating and reinforcing the brand identity. Sharing the same sentiment, Park et al. (1986) argue that effective brand management involves communicating and strengthening the brand concept

externally in the marketplace via the elaboration and fortification of the brand's intended image. Similarly, Reid et al. (2005) and Santos-Vijande et al. (2013) emphasise the importance of communicating to consumers the brand's concept or identity and developing a brand-building strategy that supports the desired brand image.

As such, the branding literature suggests that the underlying nature and essence of brand management extends beyond the mere performance of specific marketing activities (e.g., pricing, distribution) and revolves around the branding notions of reflection (e.g., communicating the brand concept or identity) and reinforcement (e.g., strengthening the brand concept or identity). Adopting this view and consistent with the approach of conceptualising organisational capabilities as discussed in Section 2.3, brand management capability is defined in this study as the inter-related processes and routines that firms have in place to reflect and reinforce the brand's image in the marketplace.

Building on these conceptual definitions and following the theoretical framework presented in Figure 3.1, the first stage of model development focuses on the underlying component that involves brand orientation, brand management capability and brand equity. The underlying component presented in Figure 3.2 below seeks to address the research gaps and objectives identified in Section 1.3 by shedding light on the underlying process through which brand orientation contributes to higher levels of brand equity. In sections that follow, the theoretical lens of the RBV as discussed in Section 2.3 is adopted to articulate how this process occurs and the respective roles of brand orientation and brand management capability in helping firms to achieve higher levels of brand equity.

Figure 3.2: The underlying component



3.2.1.1. Brand orientation and brand management capability

As discussed in Section 2.3, recent conceptual developments in the RBV literature have shifted from the focus on resource endowment to resource deployment (e.g., Hult et al., 2005; Ketchen et al., 2007). This shift in focus is premised primarily on the rent-creating importance of resource deployment activities and has resulted in a scholarly focus on how such activities are developed (e.g., Atuahene-Gima, 2005; Murray et al., 2011; Ngo & O’Cass, 2012). In particular, a closer examination of the extant literature reveals that scholars have often focused on examining the influence of knowledge as a “know-what” resource on firm capabilities as “know-how” deployment actions, an observation that is consistent with the view of Morgan (2012) who argues that resources such as information about customers and competitors are important inputs to organisational capabilities.

Atuahene-Gima (2005) argues that information generated about current and future customers and competitors can be used to create idiosyncratic, inimitable internal capabilities. He reasons that such knowledge allows firms to determine the extent of inadequacies of current capabilities and whether or not to invest in developing new ones in response to emerging market opportunities and

the competitiveness of the market. Similarly, Vorhies et al. (2011) argue that knowledge of the market that firms gather provides the needed information to guide the process through which they incrementally refine existing marketing procedures or develop new ones. Likewise, Ngo and O'Cass (2012) argue that firms' knowledge of the market drives their knowledge of what to do. For example, they argue that because being oriented towards markets provides a source of ideas for change and improvement, it provides firms with a knowledge base that enables them to develop the required actions for identifying new solutions and products to fulfil customers' expressed and unexpressed needs.

It can be seen that knowledge-producing activities provide a knowledge base for firms to develop the required organisational capabilities to accomplish a specific task (O'Cass & Heirati, 2015), such as marketing (Murray et al., 2011) and innovation (Ngo & O'Cass, 2012). For example, when knowledge about the market is integrated and crystallised within the firm, it forms the basis for marketing capabilities because this knowledge base is processed and utilised repeatedly for the development and delivery of valuable customer-focused outcomes (Vorhies et al., 2011). In this sense, brand orientation can also be said to facilitate the development of marketing-related capabilities by which the firm links with customers and serve their needs (Ngo & O'Cass, 2012). However, the point of departure here lies in a brand-oriented firm's emphasis on using the brand as the basis of interaction with customers (Urde, 1999; Urde et al., 2013; Hirvonen & Laukkanen, 2014). In this regard, brand-oriented firms link with customers and serve their needs through the brand. In order to link with customers and serve their needs through the brand, the role of brand management capability

becomes all the more critical because it allows brand-oriented firms to communicate to customers the idiosyncratic identity and distinctive features of the brand.

Specifically, brand orientation is argued to provide firms with a greater understanding of the brand-building opportunities that align with the brand's core identity framework. Charged with this knowledge foundation, brand-oriented firms are able to develop the required actions to link with and serve the emerging needs of customers through the brand by identifying the appropriate ways in which the idiosyncratic identity and distinctive features of the brand can be reflected and reinforced in their minds. To illustrate, upon knowing successful professionals living a very mobile life are willing to pay a high price premium for quality and design sound systems for their cars just as they are for their homes, Bang and Olufsen associated themselves and engaged in partnerships with such highly esteemed automobile brands as Audi, Aston Martin, BMW and Mercedes (Nedergaard & Gyrd-Jones, 2013). This strategic move enabled Bang and Olufsen to successfully venture into the in-car stereo market and build on their image of a luxury consumer electronics manufacturer (Nedergaard & Gyrd-Jones, 2013). This example illustrates the driving influence of the firm's know-what (e.g., knowledge of an emerging opportunity that fits within the core brand identity framework) on its know-how (e.g., knowledge of what to do).

Therefore, it is argued that brand orientation acts as an integral input or precursor to the development of brand management capability. Brand orientation provides a knowledge base that allows firms to identify brand-building opportunities that align with the brand's core identity. This knowledge base in

turn facilitates the development of processes through which the idiosyncratic identity and distinctive features of the brand are reflected and reinforced in the minds of customers because this represents an important means by which brand-oriented firms link with customers and serve their needs through the brand. Therefore, it is hypothesised that:

H1: Brand orientation is positively related to brand management capability.

3.2.1.2. Brand management capability and brand equity

As discussed in Section 2.2.2, a strong brand is one that has high levels of brand equity. Brand equity captures the additional value that consumers ascribe to the brand, such as greater brand awareness and stronger brand associations (Keller, 1993; Aaker, 1996; Netemeyer et al., 2004; Morgan et al., 2009a). Brand equity is said to exist when consumers attribute more value (e.g., greater brand awareness and stronger brand associations) to the brand than similar competing offerings (Keller, 1993, 2000; Vorhies et al., 2011). Achieving higher levels of brand equity as such appears to rest largely on the firm's ability to drive consumers to develop greater awareness and stronger associations of the focal brand and ascribe additional value to it.

Specifically, it is argued that when firms engage in activities that focus on reflecting and reinforcing the intended image of the focal brand, they are essentially communicating to consumers the idiosyncratic identity and distinctive functional, experiential and/or symbolic features of their brands. Establishing these fundamental attributes of the brand in the minds of consumers may be critical to allowing them to not only develop a keen sense of awareness of the

brand, but also clearly relate it to a particular product category or usage situation and discern its unique tangible and intangible benefits. Thus, the development of such great awareness and strong associations of the brand may be conducive to orienting consumers towards perceiving the brand in a positive light and ascribing additional value to it (Morgan et al., 2009a; Vorhies et al., 2011). The contention advanced here may be illustrative of the manner in which the branding actions of some firms (e.g., Gucci or Hugo Boss) enable their brands to generally be viewed by consumers in a more positive light compared to similar offerings (e.g., H&M or Zara) (Truong, McColl, & Kitchen, 2009). Arguably, realising this desired outcome may not come to fruition unless the firms reflect and reinforce the intended images of their brands in the minds of consumers, such as craftsmanship to signify superior quality, celebrity endorsement to signify superior social signalling value, and heritage and history or product design to signify uniqueness.

Thus, it is argued that when firms engage in branding actions that reflect and reinforce the intended images of their brands, they are driving consumers to develop greater awareness and stronger associations of those brands. This in turn enables the brands to be viewed by consumers in a positive light and attributed with additional value (i.e., brand equity). Therefore, it is hypothesised that:

H2: Brand management capability is positively related to brand equity.

3.2.1.3. The mediating role of brand management capability

Brand orientation is argued to capture a firm's brand-building initiative through its generation, dissemination and synthesis of the required brand-building knowledge for initiating the brand-building process (e.g., M'zungu et al., 2010; da

Silveira et al., 2013; Nedergaard & Gyrð-Jones, 2013). Brand orientation as such endows the firm with the critical knowledge for brand-building. As discussed in Section 2.3, the RBV posits that know-what knowledge resources provide only the potential value for achieving a desired organisational outcome (e.g., Morgan et al., 2009b; Vorhies et al., 2011; Ngo & O’Cass, 2012). Realising this potential requires that knowledge resources be deployed by an accompanying organisational capability whose role is to enhance or improve the productivity of the resource (Amit & Schoemaker, 1993; Makadok, 2001; Ketchen et al., 2007). This implies that brand orientation alone is insufficient for achieving higher levels of brand equity; instead, the firm’s capacity to link with customers and serve their needs through the brand is the key that realises such outcome.

Indeed, brand orientation is argued to provide firms with a greater understanding of brand-building opportunities that align with the brand’s core identity framework. According to Morgan et al. (2009b), this represents a ‘know-what’ advantage. However, some scholars argue that while the possession of such knowledge makes the conditions for superior performance possible, without organisational capabilities to deploy that knowledge, superior performance will not be realised (Vorhies et al., 2011). This is largely because deployment capabilities represent the organisational processes through which resources are combined, transformed and translated into valuable offerings or superior customer value (Atuahene-Gima, 2005; Murray et al., 2011). This point is important because higher levels of brand equity are not achieved on the basis of what the firm knows but how the firm acts on what it knows to strengthen the position of the brand in the market by linking with customers and serving their needs and

wants through and within the confines of the brand. Thus, it is not brand orientation per se that contributes to higher levels of brand equity, brand orientation fundamentally only helps to develop the firm's brand management capability which is subsequently to the key to achieving higher levels of brand equity.

Therefore, underpinned by the RBV, it is argued that brand management capability serves as the key intervening mechanism that allows firms to mobilise and realise the full potential of their brand orientation to achieve higher levels of brand equity. It is conjectured that brand orientation does not directly contribute to higher levels of brand equity since the knowledge for brand-building it provides has only potential value (e.g., knowledge of a brand-building opportunity that aligns with the core brand identity framework). Brand orientation as such acts as an important input or precursor to the development of brand management capability as the critical market-linking mechanism that allows the firm to link with customers and serve their needs and wants through the brand. In this regard, the critical knowledge for brand-building provided by brand orientation guides and informs the development of the firm's market-linking branding actions in the form of brand management capability. Deploying these branding actions in turn enables the firm to achieve higher levels of brand equity since the brand is used as the basis of interaction with customers where its idiosyncratic identity and distinctive features are reflected and reinforced in their minds. As such, while having brand orientation is critical, its full potential can only be realised and translated into higher levels of brand equity through the development and

deployment of brand management capability. On the basis of these discussions, it is hypothesised that:

H3: Brand management capability mediates the relationship between brand orientation and brand equity.

3.2.2. Model Development Stage Two – The Moderating Component

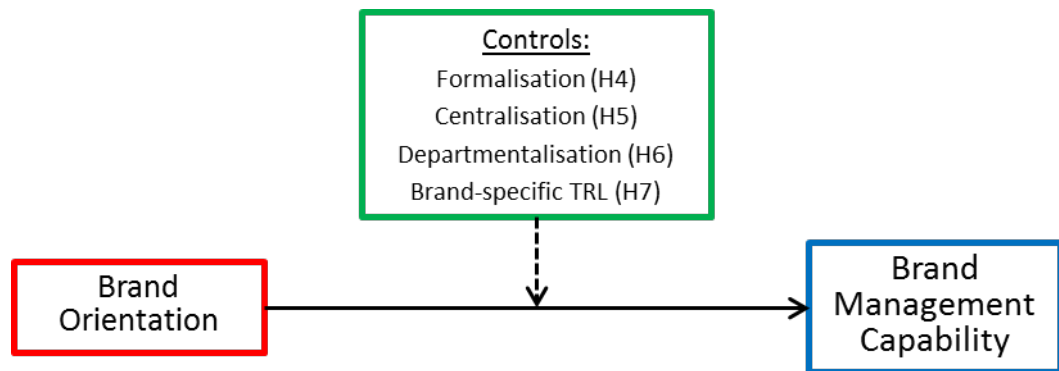
As discussed previously in Section 2.2.1, while the significant role of brand orientation in achieving higher levels of brand equity is increasingly being acknowledged (e.g., Wong & Merrilees, 2007, 2008; Baumgarth & Schmidt, 2010; Huang & Tsai, 2013; Hirvonen & Laukkanen, 2014), there is still limited understanding of how branding actions can be enacted in a consistent fashion and what specific organisational mechanisms facilitate this process (e.g., Wong & Merrilees, 2007; Baumgarth & Schmidt, 2010; Gyrd-Jones, Helm, & Munk, 2013; Hirvonen, Laukkanen, & Reijonen, 2013). The lack of clarity in this area warrants academic inquiry because as discussed in Section 1.3, the enactment of such actions has been regarded as a critical to achieving higher levels of brand equity (e.g., Park et al., 1986; Erdem & Swait, 1998; Reid et al., 2005).

Drawing on the knowledge foundation established in Sections 2.4.2 and 2.4.3 and following prior research (e.g., Vorhies & Morgan, 2003; Olson et al., 2005; Jansen et al., 2006; Auh & Menguc, 2007), this study defines formalisation as the extent to which rules and procedures are specified to guide employees on how to perform work tasks, and centralisation as the extent to which locus of authority and decision-making is concentrated within higher level management positions. Consistent with discussions undertaken in Section 2.4.4, this study

follows Matsuno et al. (2002) and defines departmentalisation as the extent to which members across departments are isolated from formal and informal interdepartmental interactions. Consistent with discussions in Section 2.4.5 and following Morhart et al. (2009), this study defines brand-specific TRL as a leader's approach to motivating his or her followers to act on behalf of the focal brand by rewarding them for meeting role expectations and punishing them for not being in compliance with brand standards.

Building on these conceptual definitions and following the theoretical framework presented in Figure 3.1, the second stage of model development focuses on the moderating component which involves brand orientation (previously defined in Section 3.2.1), brand management capability (previously defined in Section 3.2.1), formalisation, centralisation, departmentalisation and brand-specific TRL. In doing so, the moderating component as captured in Figure 3.3 below seeks to address the research gaps and objectives identified in Section 1.3 by shedding light on the process through which branding actions enacted by brand-oriented firms can be undertaken in a consistent manner. In sections that follow, the theoretical lens of the marketing control theory as discussed throughout Section 2.4 is adopted to articulate how this process occurs and examine the respective roles of formalisation, centralisation, departmentalisation and brand-specific TRL.

Figure 3.3: The moderating component



3.2.2.1. The controlling influence of organisational structure

As discussed in Section 2.4.1, the role of organisational structure fits the profile of formal, process-based controls because it is a written, management-initiated mechanism that serves to specify how individuals and groups within an organisation ought to behave (Jaworski, 1988; Auh & Menguc, 2007). However, as discussed in Section 2.4.6, the implementation of these structural controls can produce either conducive or detrimental performance effects, depending on the strategic focus of the firm and context in which they are deployed. In this regard, given the important role of engaging branding actions in a consistent fashion within the context of branding (e.g., Park et al., 1986; Keller, 1993; Erdem & Swait, 1998; Reid et al., 2005; Santos-Vijande et al., 2013), the marketing control theory suggests that the deployment of such structural controls as formalisation, centralisation and departmentalisation may have different ramifications.

Specifically, formalisation pertains to the specification of rules and procedures that guide employees on how to perform work tasks. The transparent rules and scripts associated with a formalised structure minimise redundancy and

confusion on how to implement work tasks (Auh & Menguc, 2007), which leads to greater uniformity and reduced variance (Jansen et al., 2006). When implementing brand-building activities, formalisation ensures employees are perfectly familiar with the objectives and characteristics of the brand as well as the lines of action that are appropriate to be undertaken within the brand identity framework (Santos-Vijande et al., 2013). Thus, formalisation ensures employees adhere to a given procedure (Auh & Menguc, 2007), and this adherence ensures the activities undertaken for brand-building are consistent with what the brand stands for and the values it represents (Nedergaard & Gyrð-Jones, 2013).

The discussion undertaken in Section 3.2.1.1 argues that brand orientation provides the knowledge base for firms to develop brand management capability as the integral mechanism by which they link with customers and serve their needs and wants through the brand. Thus, when firms develop brand management capability through their brand orientation, having a formalised structure in place to govern this process may be more appropriate because it provides the facilitating condition under which branding actions can be enacted in a consistent manner. This is largely so because the deployment of a formalised structure prescribes specific behavioural guidelines and procedures that ensure variance in employee behaviour (and ultimately firm actions) is minimised and uniformity maximised, which establishes the sense of consistency that is at the heart of branding (e.g., Erdem & Swait, 1998; Reid et al., 2005). Therefore, it is hypothesised that:

H4: The positive influence of brand orientation on brand management capability is stronger when formalisation is high than when it is low.

The same can also be made of centralisation. A centralised structure reflects the concentration of decision-making authority within higher level management positions. Although delegating decision-making authority to lower level organisational members may result in the generation of more creative and innovative inputs and ideas (Jansen et al., 2006), it may however lead to a greater degree of inconsistency and divergence due to the multiplicity of inputs and ideas generated thereof (Ruekert et al., 1985; Olson et al., 2005; Auh & Menguc, 2007). The lack of consistency in these diverse thoughts and ideas may in turn lead to the implementation of brand-building actions that are incoherent in nature. Thus, in order to minimise such variance and diversity, a centralised structure may be more appropriate because it facilitates uniformity of policy and action and ensures there is a much closer and tighter sense of control over operations (Matsuno et al., 2002; Olson et al., 2005).

Importantly, when firms draw on the knowledge base that they derive from their brand orientation to develop the required actions to link with customers through the brand, putting in place a centralised structure to govern this process may be more beneficial because it creates the necessary condition under which branding actions can be enacted consistently. This is particularly the case as the deployment of a centralised structure restricts the dispersion of decision-making authority and permits operations to be centrally controlled and coordinated, which generates the sense of consistency that is fundamental to branding (e.g., Park et al., 1986; Erdem & Swait, 1998). Therefore, it is hypothesised that:

H5: The positive influence of brand orientation on brand management capability is stronger when centralisation is high than when it is low.

While formalised and centralised structures may be conducive to facilitating brand management capability development by generating the sense of consistency that is fundamental to branding, the reverse may be observed for a departmentalised structure. Departmentalisation pertains to the lack of formal and informal contact among employees across different departments. Studies have shown that a lack of interdepartmental communication and interaction is detrimental to the achievement of branding objectives (e.g., M'zungu et al., 2010; Huang & Tsai, 2013; Hirvonen & Laukkanen, 2014). For example, some studies posit that in order to develop a strong brand, emphasis should be placed on eliciting a unified effort from all aspects within the firm by combining and integrating the resources and capabilities of various functional departments (Urde, 1994, 1999; Wong & Merrilees, 2007; Baumgarth & Schmidt, 2010). This integration among individual functional departments allows firms to communicate a consistent brand value and positioning to consumers by coordinating all internal and external branding activities performed by individual departments (Urde, 2003; Ewing & Napoli, 2005; Napoli, 2006; Huang & Tsai, 2013). In this regard, if there is good communication among functional departments, a unified brand positioning can be conveyed coherently to consumers when executing activities aimed at building brand equity (Huang & Tsai, 2013; Hirvonen & Laukkanen, 2014).

Accordingly, when firms develop their brand management capability through the knowledge base that they derive from their brand orientation, having a departmentalised structure in place may be inappropriate because it does not provide the facilitating condition under which branding actions can be enacted in

a consistent manner. This is especially so as the deployment of a departmentalised structure hinders the departments involved in managing the brand from being on the same wavelength and impedes the elicitation of a concerted effort from the brand-oriented firm as a whole, which creates the sense of disintegration that goes against the core tenet of branding (e.g., Hankinson, 2012; Huang & Tsai, 2013). Therefore, it is hypothesised that:

H6: The positive influence of brand orientation on brand management capability is weaker when departmentalisation is high than when it is low.

3.2.2.2. The controlling influence of leadership style

Consistent with discussions in Section 2.4.1, the role of brand-specific TRL fits the profile of a formal, output-based control because it is a management-initiated mechanism that serves to regulate employee behaviour through the specification of performance standards and administration of associated incentives (e.g., rewards and/or punishments). Drawing on the marketing control theory, brand-specific TRL is expected to play a critical role given the importance of engaging branding actions in a consistent fashion to achieve higher levels of brand equity (e.g., Park et al., 1986; Erdem & Swait, 1998; Reid et al., 2005).

Specifically, brand-specific TRL pertains to a leadership style that focuses on rewarding brand employees for meeting their role expectations and punishing them for not being in compliance with brand standards. By prescribing rewards and punishments for adequate performance as brand representatives, brand-specific TRL serves to ensure employees behave correctly within the brand's framework of structures, rules and standards (Morhart et al., 2009). In this regard,

brand-specific TRL promotes compliance by ensuring employees abide by the guidelines and comply with the rules and standards set by the leader so that branding actions and activities undertaken by the employees are consistent and in accordance with the brand's identity and core values (Morhart et al., 2009). This may be of particular importance in the context of branding as the need to ensure employees behave in ways that are consistent with the brand's identity and core values is critical to the establishment of a coherent brand image with which consumers can clearly resonate (Henkel, Tomczak, Heitmann, & Herrmann, 2007).

Thus, when the knowledge base derived from firms' brand orientation is drawn upon to develop their brand management capability, having a transactional leader to monitor and control this process may yield greater benefits because it creates the necessary condition under which branding actions can be enacted consistently. This is especially so because by prescribing rewards and punishments that control what brand representatives should and should not do, brand-specific TRL is conducive to ensuring the behaviour of brand representatives (and ultimately actions of the firm) is in line and consistent with the brand's core values and identity. Brand-specific TRL may therefore be critical to establishing the sense of consistency that is fundamental to branding (e.g., Morhart et al., 2009; Baumgarth & Schmidt, 2010) owing to its capacity to ensure that the behaviour of brand representatives does not deviate from the clearly defined framework of branding dos and don'ts. Therefore, it is hypothesised that:

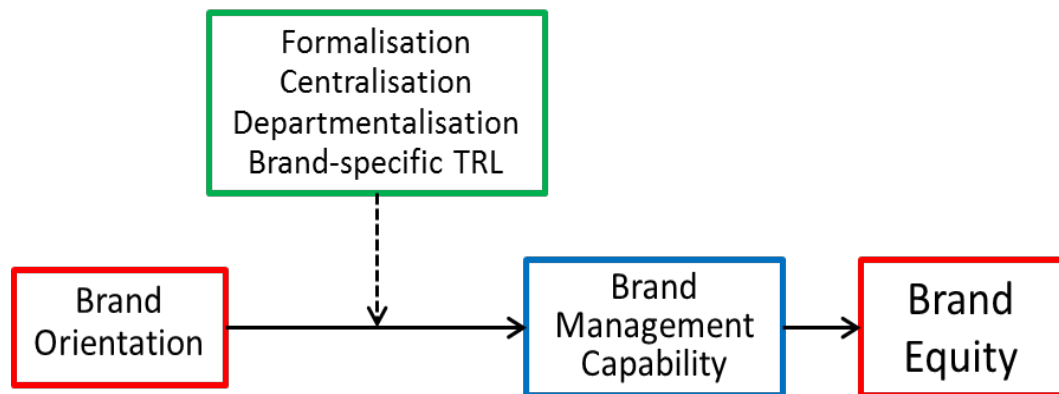
H7: The positive influence of brand orientation on brand management capability is stronger when brand-specific TRL is high than when it is low.

3.2.3. Model Development Stage Three – The Integrative Framework

As raised in Section 1.3, in spite of its significant role in enabling firms to achieve higher levels of brand equity, brand orientation by itself may not be sufficient if appropriate market-linking and controlling mechanisms are not in place. Indeed, given the importance of enacting consistent branding actions (e.g., Park et al., 1986; Keller, 1993; Erdem & Swait, 1998; Reid et al., 2005; Erdem et al., 2006) and linking with customers through the brand (e.g., Baumgarth, 2010; Hirvonen & Laukkanen, 2014), firms may need to incorporate controlling and market-linking mechanisms with their brand orientation in order to achieve higher levels of brand equity.

Thus, following the theoretical framework captured in Figure 3.1, the third and last stage of model development focuses on the integrated component that involves all constructs considered in both the underlying and moderating processes considered in Sections 3.2.1 and 3.2.2 respectively. In doing so, the integrated component as captured in Figure 3.4 below seeks to address the research gaps and objectives identified in Section 1.3 by shedding light on the underlying process through which the interplay among the firm's brand orientation and market-linking and controlling mechanisms contributes to higher levels of brand equity. In the following section, emphasis is given to articulate how this process occurs and examine the respective roles of brand orientation and market-linking (brand management capability) and controlling (formalisation, centralisation, departmentalisation and brand-specific TRL) mechanisms.

Figure 3.4: The framework for achieving brand management superiority



Mediating role of brand management capability in the relationship between brand orientation combined with controls and brand equity

Earlier discussions undertaken in Section 1.3 show that the mere possession of brand orientation is an insufficient condition for firms to achieve higher levels of brand equity because firms are also required to be externally relevant and appropriately linked with customers through the brand (Baumgarth, 2010; Hirvonen & Laukkanen, 2014). To this end, discussions undertaken in Section 3.2.1 show that brand management capability plays a critical mediating role because it enables firms to link with customers and serve their needs through the brand by reflecting and reinforcing the idiosyncratic identity and distinctive features of the brand in their minds. Thus, underpinned by the RBV, this study argues that the knowledge base provided by brand orientation is critical to the development of brand management capability which is subsequently drawn upon as the integral means by which brand-oriented firms link with customers and serve their needs through the brand to achieve higher levels of brand equity.

However, as discussed in Section 3.2.2, achieving higher levels of brand equity also requires that firms enact consistent branding actions because some scholars argue that such actions are critical to establishing of a clear and cohesive brand image in the minds of consumers (e.g., Park et al., 1986; Keller, 1993; Erdem & Swait, 1998; Ewing & Napoli, 2005; Reid et al., 2005). Indeed, it is widely acknowledged in the branding literature that when branding elements established by firms are highly congruent with one another, the resultant image is more easily learned and remembered by consumers (Aaker, 1991; Keller, 1993, 2008). In particular, Keller (1993) contends that the shortcomings of a “diffuse” brand image include: (1) the failure on the part of consumers to clearly understand the meaning of the brand because both established and new information related to the brand cannot be strongly linked; (2) susceptibility to competitive actions because of the lack of connection between any one association and other associations in producing a clear meaning; and (3) the possibility of consumers overlooking, discounting or not retrieving some potentially relevant brand associations in making brand decisions when the brand image is not cohesive.

It is not surprising then that previous research finds brands with a clear and cohesive image to perform better than those which do not have such clarity and cohesiveness because consumers are more likely to attribute additional value to and have positive and favourable reactions towards the brand whose image they can clearly decipher and resonate with (e.g., Aaker, 1996; de Chernatony & Segal-Horn, 2003; Ewing & Napoli, 2005; Reid et al., 2005; da Silveira et al., 2013). The contention advanced here can perhaps be appropriately exemplified by the success of Apple whose image clearly resonates with the notions of “slick” and

“innovative” owing to the consistency of its branding actions which is emphasised through its line of uniquely-designed and innovative *i*-products (e.g., iPhones, iPods, iMacs), its innovative-looking operating systems and software interfaces (e.g., iTunes, iOS, OS X), and the stylish and innovative layout of its distribution outlets (e.g., Apple Store).

Thus, firms need to have in place the appropriate and necessary controlling mechanisms so that consistent branding actions can be enacted to achieve higher levels of brand equity. To this end, the theory of marketing control suggests that structural characteristics and leadership style may be imperative owing to the significant influence they exert on the ways in which employees complete work tasks (e.g., Jaworski, 1988; Jaworski & Kohli, 1993; Auh & Menguc, 2007; Morhart et al., 2009). Having the appropriate structural and leadership controls may therefore be critical to establishing the necessary conditions under which branding actions can be enacted consistently to establish a clear and cohesive image in the minds of consumers and achieve higher levels of brand equity (e.g., Keller, 1993; Erdem & Swait, 1998; Reid et al., 2005).

Specifically, formalisation imposes specific rules and procedures by which employees abide to complete work tasks (Jaworski & Kohli, 1993; Auh & Menguc, 2007). Thus, putting in place a formalised structure to govern the process through which brand-oriented firms develop brand management capability may be conducive to creating the condition fundamental to branding under which customer-linking branding actions can be enacted in a consistent manner. Accordingly, through these actions, brand-oriented firms may be able to establish a clear and cohesive brand image in the minds of consumers and achieve higher

levels of brand equity because prior research suggests that consumers are more likely to ascribe additional value to a brand whose image is clear and decipherable (e.g., Keller, 1993; Aaker, 1996; Erdem & Swait, 1998; Reid et al., 2005).

Therefore, it is hypothesised that:

H8a: Brand management capability mediates the interactive effect of brand orientation and formalisation on brand equity.

The same can also be made of centralisation given its capacity to limit the dispersion of decision-making authority and the multiplicity and variety generated thereof (Jaworski & Kohli, 1993; Auh & Menguc, 2007). Having a centralised structure in place to govern the process through which brand-oriented firms develop brand management capability ensures operations are tightly controlled and centrally coordinated. Accordingly, it is argued that brand-oriented firms are able achieve higher levels of brand equity when incorporated with a centralised structure because this combination (brand orientation and centralisation) provides the condition critical to branding that facilitates brand management capability development. The enactment of this brand management capability is the key that contributes to higher levels of brand equity owing to its capacity to establish in the minds of consumers a clear and cohesive brand image that many suggest is critical to eliciting positive brand perception and ascription of additional brand value from consumers (e.g., Keller, 1993; Erdem & Swait, 1998). Therefore, it is hypothesised that:

H8b: Brand management capability mediates the interactive effect of brand orientation and centralisation on brand equity.

The same cannot be said for departmentalisation as the opposite effect may be expected because it restricts interdepartmental interaction, communication and information sharing (Jaworski & Kohli, 1993; Matsuno et al., 2002). A departmentalised structure prevents interdepartmental coordination and inhibits the elicitation of a concerted effort from the firm as a whole. Thus, when departments are not communicating with each other, it may not facilitate brand management capability development because it deprives brand-oriented firms of the condition fundamental to branding under which brand management capability is enacted in a consistent manner. Accordingly, they may be enacting customer-linking branding actions that lack cohesion and integration, resulting in the establishment of a cluttered brand image in the minds of consumers. As a result, consumers may experience difficulty in clearly deciphering the true image of the brand and thus be deterred from viewing the brand in a positive light and ascribing additional value to it (e.g., Keller, 1993; Erdem & Swait, 1998; Reid et al., 2005; Erdem et al., 2006). Therefore, it is hypothesised that:

H8c: Brand management capability mediates the interactive effect of brand orientation and departmentalisation on brand equity.

Given that brand-specific TRL focuses on administering rewards and punishments as a means of ensuring employee behaviour is in line with brand performance standards and expectations (Morhart et al., 2009; Punjaisri et al., 2013), it ensures employee behaviour and ultimately firm actions are properly governed, which establishes a greater sense of uniformity. Having brand-specific TRL in place to govern the process through which brand-oriented firms develop

brand management capability creates the necessary condition under which the associated customer-linking branding actions can be enacted in a consistent manner. Thus, it is expected that brand-specific TRL is critical to helping firms to translate their brand orientation into higher levels of brand equity because this combination (brand orientation and brand-specific TRL) allows firms to enact consistent customer-linking branding actions and establishes in the minds of consumers a clear and cohesive image that facilitates the manner in which the brand is viewed positively and ascribed with additional value (e.g., Keller, 1993; Erdem & Swait, 1998). Therefore, it is hypothesised that:

H8d: Brand management capability mediates the interactive effect of brand orientation and brand-specific TRL on brand equity.

3.3. SUMMARY OF THE RESEARCH MODEL

The proposed research model as shown in Figure 3.4 outlines the relationships among brand orientation, brand management capability, formalisation, centralisation, departmentalisation, brand-specific TRL, and brand equity. In sum, it is argued that while brand orientation is conducive to helping firms achieve higher levels of brand equity, it is however by itself an insufficient condition if specific market-linking and controlling mechanisms are not incorporated. Acting as an integral means by which firms link with customers and serve their needs through the brand, brand management capability is argued to help firms to translate their brand orientation into higher levels of brand equity. Acting as mechanisms that govern the process through which brand management capability is developed, controls such as formalisation, centralisation and brand-

specific TRL are argued to generate the sense of consistency fundamental to branding and provide the necessary condition to facilitate brand management capability development, while departmentalisation is expected to deprive firms of this critical and necessary condition.

In sum, it is argued that when specific controlling mechanisms are in place, the influence of brand orientation on brand management capability is stronger. The incorporation of these controls facilitates brand management capability development by providing the necessary conditions under which the associated customer-linking branding actions can be enacted in a consistent manner. Through the enactment of these actions, the firm's brand orientation is translated into higher levels of brand equity because it helps to establish in the minds of consumers a clear and cohesive image that contributes to enabling the brand to be viewed in a more positive manner and ascribed with additional value and increased utility. Conversely, in the absence of appropriate controls, firms are deprived of the sense of consistency fundamental to branding to facilitate brand management capability development. Accordingly, enacting the associated customer-linking branding actions may establish an unclear and incoherent brand image in the minds of consumers and impair brand equity instead of building it.

3.4. CONCLUSION

This chapter has undertaken a stepwise approach to developing an integrated research model which incorporates both mediation and moderation processes that enable firms to carefully manage their brands and achieve higher levels of brand equity. As depicted in Figure 3.4, this study draws on the RBV and

marketing control theory to establish the conditions that facilitate brand management capability development within the context of branding, and the specific process through which higher levels of brand equity are achieved. The integration of these conditions and processes culminates in the establishment of a mediated moderation model which posits that when firms incorporate their brand orientation with specific controlling mechanisms, it facilitates brand management capability development. It generates the sense of consistency fundamental to branding and creates the necessary conditions under which the associated customer-linking branding actions can be enacted consistently, which in turn contribute to higher levels of brand equity given their capacity to establish clear and cohesive brand images in the minds of consumers.

CHAPTER FOUR

RESEARCH DESIGN

4.1. INTRODUCTION

Underpinned by the research objectives and questions identified in Chapter One, Chapter Two presented and discussed relevant bodies of literature pertaining to the focal constructs of this study as the foundation upon which individual hypotheses and the research model shown in Chapter Three (Figure 3.4) were developed. In light of these underpinning research questions and hypotheses, Bono and McNamara (2011, p. 659) highlight the importance of linking objectives and questions of a study to its research design. In particular, they argue that the fundamental principles of good research design include:

“Match your design to your question, match construct definition with operationalization, carefully specify your model, use measures with established construct validity or provide such evidence, choose samples and procedures that are appropriate to your unique research question.”

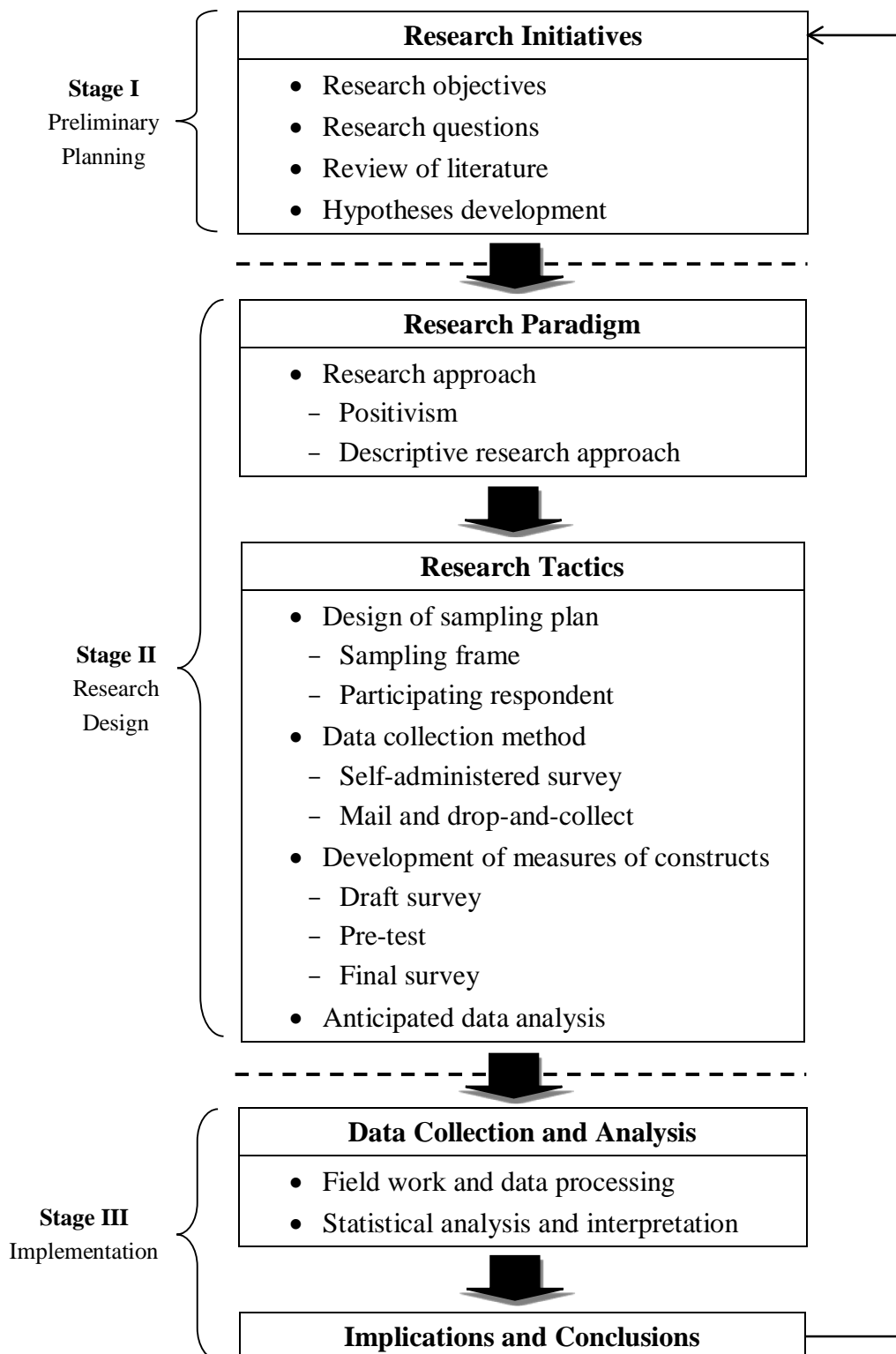
Thus, the underlying objective of this chapter is to develop a sound research design that addresses and is in line with the empirical objectives of this study. To this end, this chapter discusses in detail the specific procedures that are undertaken for the purpose of gathering the data that are empirically analysed in the next chapter to test the hypotheses proposed in Chapter Three. In doing so, this chapter begins with a detailed discussion of the sampling process. Following this, data collection procedures are specified before matters pertaining to the

development and operationalisation of measurement items are discussed. Then, a discussion of anticipated data analysis techniques is undertaken before this chapter closes with concluding comments.

4.2. RESEARCH PLANNING

The development of a proper research plan is critical as many tasks and decisions are involved in laying down the groundwork for the research project prior to its commencement. The decisions made and tasks undertaken often interact and occur simultaneously as they are embedded in an ongoing planning process that determines the direction and strategies of the research (Aaker, Kumar, & Day, 2004; Bono & McNamara, 2011; Malhotra, 2015). As such, an appropriate research design is fundamental to guiding the strategies and processes for data collection and analysis (Aaker et al., 2004). To this end, the research design framework recommended by Aaker et al. (2004) is drawn upon as the underpinning guide for this study. As shown in Figure 4.1 below, the framework identifies three crucial stages for the development of a sound research design – preliminary planning, research design and implementation. The primary focus of this chapter is the research design stage as it is the crucial link that connects the problem (what is the problem) to the solution (how is the problem solved). Thus, the research design stage represents the critical component that builds on previously established research questions and hypotheses to guide the strategies and processes through which data collection is undertaken and findings derived. In this sense, the research design stage serves as the critical input to the discussion of the implementation stage that is to be undertaken in the next chapter as outlined in Figure 4.1 below.

Figure 4.1: Research design framework



Source: Adapted from Aaker et al. (2004)

4.3. PRELIMINARY PLANNING STAGE

According to Aaker et al. (2004), a number of tasks are required to be undertaken during the preliminary planning stage, including identifying the research problem, developing research questions and hypotheses, and articulating the justification and significance of the proposed study. The fulfilment of these pre-conditions is achieved in Chapter One, where the research objectives and questions of this study were identified, while in Chapter Two, an extensive review of the relevant bodies of literature was undertaken which culminated in the establishment of the research model captured in Figure 3.4. Taken together, these components provide the foundation upon which the research design is developed, details of which are specified in the following sections.

4.4. RESEARCH DESIGN STAGE

Building on the foundation established in previous chapters, the research design stage provides the guidelines for addressing issues pertaining to the sampling plan, data collection method, development of measures and data analysis techniques (Hair, Bush, & Ortinau, 2002; Aaker et al., 2004; Malhotra, 2015). As depicted in Figure 4.1, the research design stage addresses two critical issues – research paradigm, which relates to the approach adopted for a given research; and research tactics, which address issues related to specific strategies for sampling, data collection, measure development and data analysis.

4.5. RESEARCH PARADIGM

The importance of placing an academic inquiry within the parameters of an appropriate paradigm is widely acknowledged (Punch, 2005; Malhotra, 2015). The research paradigm provides the guidelines and principles that underpin the

manner in which the research is undertaken. It is imperative that researchers adopt a methodology that is in line with the theoretical focus of the academic inquiry since the associated methodological approach establishes an important framework by which the research is guided (Grace & O'Cass, 2002; Malhotra, 2015). Within the marketing literature, scholars have generally identified two prominent classes of research paradigm – positivism, which is associated with quantitative research, and phenomenology, which is related to qualitative research (Cavana, Delahaye, & Sekaran, 2001; Aaker et al., 2004).

A positivistic, quantitative methodology is argued to be an objective and hypothetical-deductive approach, using structured questions with predetermined response options to address research questions and employing data collection methods which require an extensive use of statistics (Scandura & Williams, 2000; Cavana et al. 2001). On the other hand, a phenomenological, qualitative methodology is argued to be a subjective and inductive approach, using observations to search for patterns and themes through verbal rather than statistical analysis (Szmigin & Foxall, 2000; Shankar & Goulding, 2001; Morse & Mitcham, 2002).

The review of the literature presented in Chapter Two identifies a number of studies that have adopted the positivistic approach, covering issues related to strategic orientation (Huang & Tsai, 2013; Hirvonen & Laukkanen, 2014), organisational capabilities (Morgan et al., 2009a; O'Cass & Ngo, 2011b; Vorhies et al., 2011), organisational structure (Vorhies & Morgan, 2003; Olson et al., 2005; Auh & Menguc, 2007) and leadership style (Morhart et al., 2009; Punjaisri et al., 2013). These studies along with many others within the areas of marketing and management have adopted quantitative methods to examine relationships among

specified constructs. As this study seeks to assess a set of pre-determined hypotheses which involve multiple relationships among the focal constructs captured in Figure 3.4, the positivist paradigm or quantitative method is deemed appropriate and therefore adopted.

Research approach

According to Aaker et al. (2004), the research approach is fundamental to any research design because it determines how information is obtained. On this point, some scholars advance the view that a research approach can be classified into three major categories – exploratory, causal and descriptive (Cavana et al., 2001; Malhotra, 2015). As this study is undertaken from the perspective of the positivistic paradigm, causal and descriptive research approaches appear to be applicable (Aaker et al., 2004; Burns & Bush, 2006).

Causal research attempts to infer causation of previously identified relationships (Cavana et al., 2001; Aaker et al., 2004; Malhotra, 2006) and in doing so, attempts to examine the extent to which a change in a given construct is likely to have been affected by an observed change in another construct (Malhotra, 2015). Causal research is thus appropriate when examining the reasons why certain market phenomena happen as they do (Hair et al., 2002). Descriptive research, on the other hand, is a quantitative-based approach that attempts to address a formulated hypothesis through the employment of scientific procedures to gather primary data which describe the existing characteristics of a defined population (Hair et al., 2002). Specifically, descriptive research involves examining relationships among variables (or constructs) and is often guided by hypotheses which have been developed after reviewing the literature and

developing a model (Malhotra, 2015). Given the nature of this study, descriptive research appears to be appropriate as the study develops specific hypotheses set within the theoretical framework established in Chapter Three describing relationships among constructs encapsulated in Figure 3.4.

4.6. RESEARCH TACTICS

Upon establishing the appropriate research paradigm and approach, applicable research tactics need to be developed to guide the data collection process. As depicted in Stage Two of Figure 4.1, the development of research tactics addresses issues pertaining to the sampling plan, data collection method, measures of constructs and data analysis techniques. These issues are discussed in detail in the following sections.

4.6.1. SAMPLING PLAN

As discussed in Section 4.5, this study adopts a positivistic, descriptive approach to address the research objectives and questions identified in Chapter One and individual hypotheses proposed in Chapter Three based on a review of the relevant bodies of literature presented in Chapter Two. To this end, some scholars highlight the importance of addressing a number of issues in the sampling process, including determining the population from which the sample is drawn, developing the sampling frame and identifying key informants (e.g., Cavana et al., 2001). In particular, the development of a sampling plan involves a careful selection of an empirical setting and respondent profile that matches the theoretical focus and overarching questions that the research project attempts to address (Cavana et al., 2001). The following discussions seek to address these critical issues.

4.6.1.1. Sampling frame

According to Malhotra (2015), a sampling frame is a representation of the elements of the target population. The development of a sampling frame involves the selection of an empirical setting that is compatible with the theoretical focus of the proposed study (Cavana et al., 2001). Given the overarching objective of this study to examine brand management from the firm's perspective, this study focused primarily on businesses that were operating within the consumer goods sector since a strong tradition of branding in this area has been highlighted by previous research (e.g., Beverland et al., 2010).

The emphasis of this study is given to including in the sampling frame strategic business units (SBUs) that were responsible for managing consumer brands within the sectors of fashion, automobile and consumer electronics since there is evidence in the literature that suggests brands associated with these product categories are often consumed for symbolic or status-enhancing reasons (e.g., Yoo et al., 2000; Netemeyer et al., 2004; Buil et al., 2011; Valette-Florence et al., 2011). Indeed, as identified in Section 2.2.2 and Table 2.2, these specific product categories are often selected when assessing the source of brand equity from the consumer's perspective. This suggests that information sourced from businesses operating in these specific sectors may be critical to understanding how brands are managed and what factors contribute to building brand equity.

Further, it is widely documented in the branding literature that in order to convey or enhance their self-image, consumers often resort to the consumption of goods with symbolic properties, such as fashion goods (e.g., Phau & Prendergast, 2000; Parker, 2009; O'Cass, Lee, & Siahtiri, 2013), automobiles (e.g., Truong et

al., 2008; Kum, Bergkvist, Lee, & Leong, 2012) and consumer electronics (e.g., Batra et al., 2000; Zhou & Wong, 2008; Zhou et al., 2010). Thus, it appears that consumers' purchase behaviour of goods associated with these specific product categories is often driven by the extent to which the image of the brand is congruent with or capable of enhancing that of the consumer (Sirgy, 1982; Eastman et al., 1999; O'Cass, 2004; O'Cass & Choy, 2008).

Therefore, it can be seen that in the context of these consumer-based symbolic goods, the importance of brand image and how it is managed by the business is paramount. Given the theoretical focus of this study and the prominence of branding in these specific sectors (Beverland et al., 2010), it is deemed appropriate and justified that businesses operating in these specific sectors be targeted since according to some scholars (e.g., Nedergaard & Gyrð-Jones, 2013), they are considered a fitting source from which critical insights about brand management practices employed by businesses are derived.

4.6.1.2. Respondents

As discussed in Section 4.6.1 and identified in Stage Two of Figure 4.1, upon determining the appropriate sampling frame, the next step involves identifying the respondents from whom data are collected. In line with previous research (e.g., Atuahene-Gima, Slater, & Olson, 2005; Lee et al., 2008; Homburg, Klarmann, & Schmitt, 2010), the unit of analysis of this study is at the SBU level, such that data were collected from units that were built around brands. The adoption of this approach minimises the potential of retrospective biases (e.g., Murray et al., 2011), reduces variability in responses (e.g., O'Cass & Ngo, 2007b), and permits a closer focus on the brand that is being managed by the focal brand

unit (e.g., Stock & Hoyer, 2005; Stock & Bednarek, 2014). Thus, critical to this study is the choice of appropriate informants because an object's ratings cannot be separated from its perceiver (Stock, Six, & Zacharias, 2013). It is imperative that the most knowledgeable informants with the most relevant expertise to report on each construct be selected (Stock et al., 2013). Therefore, following previous studies (e.g., Wong & Merrilees, 2007), senior-level managers were targeted given their knowledge of and involvement in operations related to the brand.

However, the employment of a single informant design has received criticism due to the threat of common method bias that is commonly associated with it (Atuahene-Gima, 2005; Zhou et al., 2008; Morgan et al., 2009a). Thus, in order to reduce random measurement error and mitigate the threat of common method bias, a multiple informant design was adopted. Specifically, in addition to targeting senior-level managers, this study also targeted middle-level managers who were responsible for and actively involved in overseeing the day-to-day management of brands. These managers were targeted because there is evidence in the literature that suggests the quality of data collected from multiple sources (e.g., two hierarchical levels spanning across senior- and middle-level management) is far more superior than data collected from a single source due to the knowledge that informants have of their corresponding work positions (e.g., Atuahene-Gima & Murray, 2007; Zhou et al., 2008; O'Cass, Heirati, & Ngo, 2014). Further, previous studies within the area of brand management have often targeted senior- and middle-level management personnel due to the significant amount of knowledge they have about the brand, its operations and level of performance (e.g., Wong & Merrilees, 2008; Huang & Tsai, 2013; Hirvonen & Laukkanen, 2014).

4.6.2. DATA COLLECTION METHOD

As discussed in Section 4.6 and identified in Stage Two of Figure 4.1, upon determining the appropriate sampling plan, the next step involves identifying the method by which data are collected. Within the marketing literature, three common approaches to gathering primary data are identified – survey, observation and experiment (Malhotra, 2015). The survey approach was adopted in this study for the following reasons. First, as discussed in Section 4.5, given the positivistic and descriptive nature of this study, the use of primary data sourced from surveys is appropriate due to the specific information required to test the research questions and hypotheses identified in Chapters One and Three respectively. Second, implementing surveys permits access to large sample sizes at a relatively low cost and facilitates the administration of questions and answers to tap into factors and relationships that are not directly observable (Cavana et al., 2001; Groves, Fowler, Couper, Lepkowski, Singer, & Tourangeau, 2011). Third, surveys are widely used as a means of data collection in similar areas of study (e.g., Vorhies et al., 2011; Huang & Tsai, 2013; Hirvonen & Laukkanen, 2014).

The implementation of the survey approach can be undertaken in three ways – person-administered, computer-administered and self-administered (Burns & Bush, 2006; Groves et al., 2011). The presence of the researcher and respondent is required when data is collected through the person-administered approach, while computer- and self-administered approaches can be implemented without the presence of the researcher (Kaplan, Sieber, & Ganiats, 1997; Groves et al., 2011). While each approach has its own advantages, they are also not without their challenges. For example, while the person-administered approach allows the researcher to obtain high response rate and rich feedback, it may

however introduce interviewer bias and involve high costs in monetary and temporal terms (Kaplan et al., 1997; Hair et al., 2002). Similarly, while the computer-administered approach increases the speed of administration and reduces interviewer bias, it however incurs high set-up costs and engenders confidentiality issues (Moutinho & Chien, 2007). Likewise, while the self-administered approach is cost-effective and allows the researcher to obtain large amounts of data without introducing interviewer bias, it can however lead to lower response rate and respondent fatigue, especially when the survey is exceptionally long (Kaplan et al., 1997; Malhotra, 2015). In light of these benefits and challenges associated with each survey method, the self-administered approach was adopted, and the rationale for this choice is detailed next.

First, because the presence of the researcher is not required in self-administered surveys, it therefore eliminates the threat of interviewer bias. Second, because it incurs less start-up costs and enables the researcher to gain access to large samples, it therefore represents a cost effective approach that suits the requirements of this study. Further, the self-administered approach has been widely adopted by scholars in areas of research similar to this study (e.g., Vorhies et al., 2011; Huang & Tsai, 2013; Hirvonen & Laukkanen, 2014).

Self-administered surveys can be distributed through a variety of means, including mail and drop-and-collect which are methods commonly adopted by scholars in similar areas of study (e.g., Ngo & O'Cass, 2009; Vorhies et al., 2011; Stock, 2014). The mail survey approach administers surveys through the employment of postal systems (e.g., letter, fax, email) which permits a wider reach at a relatively low cost (Ibeh, Brock, & Zhou, 2004; Malhotra, 2015). The drop-and-collect approach, on other hand, is argued to yield higher response rates

due to the interpersonal interaction that occurs during the distribution and collection of surveys personally by the researcher (Ngo & O'Cass, 2009; Sok & O'Cass, 2011a, b). Thus, in light of their respective benefits and following previous research (e.g., Lee et al., 2008; Stock, 2014), both mail and drop-and-collect approaches were adopted. Consistent with Stock (2014), initial contact during pre-screening further revealed that some respondents preferred to have the surveys mailed to them while some dropped to them.

Following Lee et al. (2008), this study is operationalised at the brand level, each brand was treated as an independent unit and respondents were recruited from each of these independent brand units. A customised brand database was developed by a professional database supplier, consisting of the targeted brands embedded within the product categories identified in Section 4.6.1.1 as well as the contact details of the key management personnel who were associated with the identified brand. This procedure permitted the establishment of a direct contact with informants and as discussed in Section 4.6.1.2, emphasis was given to recruiting from each brand unit: (A) the most senior managerial person responsible for and actively involved in overseeing the day-to-day management of the brand (e.g., Senior Brand Manager); and (B) the manager in the brand unit who reported directly to the first informant (e.g., Sales Manager).

Respondents were contacted by telephone and briefed about the study. Consistent with previous studies (e.g., Auh & Menguc, 2007), respondents were promised a summary of key findings of the study as an incentive to encourage participation. As discussed previously, upon the provision of consent to participate, surveys were mailed to respondents or delivered via the arrangement of an appointment on the basis of their indicated preference during pre-screening.

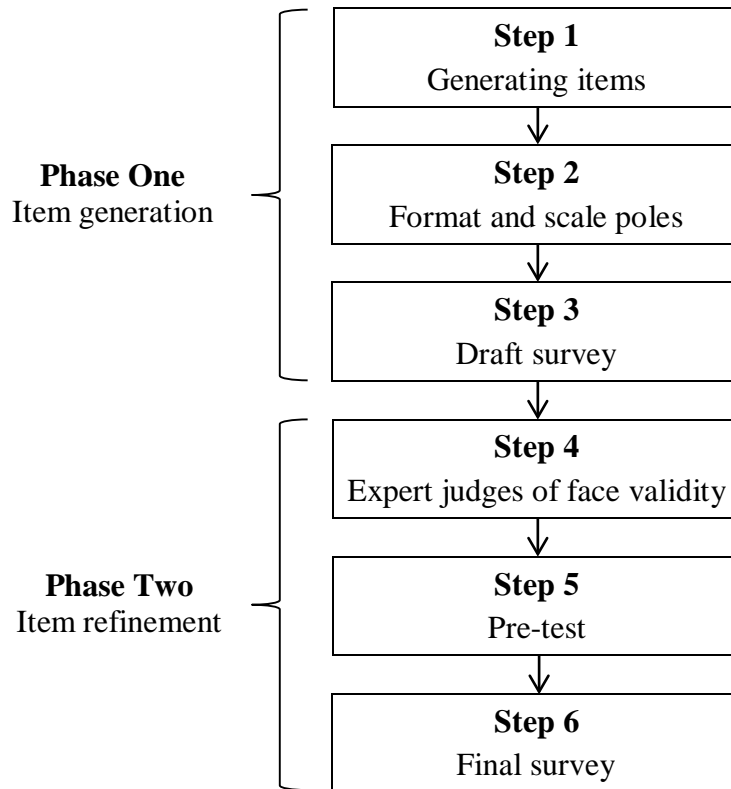
Following previous studies (e.g., O’Cass & Weerawardena, 2010; Murray et al., 2011), in order to minimise variability in responses, specific instructions were given to informants to ensure they responded to each question and/or statement in reference to the brand they managed which was specified in the survey.

4.6.3. DEVELOPMENT OF MEASURES OF CONSTRUCTS

As discussed in Section 4.6 and identified in Stage Two of Figure 4.1, upon determining the appropriate sampling plan and data collection method, the next step involves developing the measures to capture the focal constructs of this study. The importance of developing a sound survey instrument is widely acknowledged in the literature (e.g., Malhotra, 2015). This is largely so because the inherent measures facilitate theory testing by providing an empirical estimation of each construct or variable. Thus, by empirically capturing and measuring theoretical constructs or latent variables, the interrelations among them can be empirically tested (Nunnally & Bernstein, 1994). In this light, this study draws on the two-stage survey development process recommended by Churchill (1979) as the underpinning guide for developing measures.

As shown in Figure 4.2 below, survey development involves two key phases – the first phase seeks to generate items from the literature (Step One), select scale poles and formatting (Step Two) and produce a draft survey (Step Three). The second phase concerns employing expert judges to assess the face validity of constructs to determine item retention or removal (Step Four), pre-testing the resultant refined survey (Step Five) and lastly, producing the final survey (Step Six), which is also shown in the Appendix section.

Figure 4.2: Measurement development process



4.6.3.1. Phase One – Item generation

4.6.3.1.1. Step 1: Generating items

Following Churchill (1979), this study adopted both literature-based and research expertise-based approaches to create an item pool for each theoretical construct. Specifically, following the deductive approach, items were generated on the basis of a review of the extant literature to identify established measures. However, in the absence of established measures, research expertise was used as the secondary means to generate items. In doing so, items were generated directly from the conceptual definition of the focal construct, such that they captured the specific domain of interest as specified in the conceptual definition. Critically, the literature review presented in Chapter Two was drawn upon as the backdrop

against which measurement items were developed for this study to capture the theoretical constructs of interest. As such, the following discussion of measures is segregated into two sections – one for measures newly developed specifically for this study where existing measures are either unavailable or inappropriate, while the other for readily available measures adopted from previous studies.

4.6.3.1.1.1 Measure development

In picking up on the conceptual and operational issues identified and discussed in Sections 2.2.1 and 2.3 for brand orientation and brand management capability respectively, new measures for these constructs were developed to overcome the weaknesses of existing measures found in the literature. In doing so and following the recommendations of Vorhies et al. (2011) and O’Cass et al. (2014), relevant bodies of literature were reviewed in depth to generate an initial pool of items that fitted the conceptual definition of these constructs as presented in Chapter Three. Discussion of these measures is presented in the following sections.

Brand orientation

As discussed in Section 3.2.1, brand orientation is defined as a firm’s brand-building initiative, captured by its knowledge-producing behaviours focused on the generation, dissemination and synthesis of brand-building knowledge directed at initiating the brand-building process. Building on the suggestions of Jarvis, MacKenzie and Podsakoff (2003) and Coltman, Devinney, Midgley and Venaik (2008) and following previous research (e.g., Menguc, Auh, & Shih, 2007; Story, Boso, & Cadogan, 2015), brand orientation is modelled as a

Type II second-order formative construct comprising the first-order reflective components of generation, dissemination and synthesis.

Generation

Items pertaining to the extent to which a firm generates knowledge for brand-building to maintain the relevance of the brand in the market were drawn from Kohli and Jaworski (1990), Narver and Slater (1990), Jaworski and Kohli (1993), Ewing and Napoli (2005), and Baumgarth (2010). The items sourced from these studies led to an initial development of an 8-item scale, examples of which are shown below:

When managing this brand, we have:

- Developed knowledge about consumers' needs.
- Evaluated if the profile of the brand is different from those of competitors.

Dissemination

Items pertaining to the extent to which a firm disseminates knowledge pertaining to the brand to develop an organisation-wide understanding of what the brand stands for and the values it represents were drawn from Kohli and Jaworski (1990), Jaworski and Kohli (1993), Ewing and Napoli (2005), Baumgarth (2010), and Hankinson (2012). The items sourced from these studies led to an initial development of an 8-item scale, examples of which are shown below:

Across all business levels (e.g., senior, middle management) and departments (e.g., marketing, accounting) involved in the management of this brand:

- Information related to the brand has been shared and disseminated.
- There has been a consistently similar level of understanding of the brand.

Synthesis

Items pertaining to the extent to which a firm synthesises knowledge for brand-building to identify opportunities that align with and fit in the brand's core

identity framework were drawn from Moorman (1995) and Vorhies et al. (2011). The items sourced from these studies led to an initial development of a 5-item scale, examples of which are shown below:

When managing this brand, we have:

- Integrated information from a variety of sources (e.g., consumer reports, brand profile) when developing marketing strategies for the brand.
- Ensured that all information sources (e.g., brand profile, market reports) are thoroughly considered when making decisions for the brand.

Brand management capability

As discussed in Section 3.2.1, brand management capability is viewed in this study as the inter-related processes and routines that firms have in place to reflect and reinforce the brand's image in the marketplace. Items that reflect the extent to which the firm engages in these activities were sourced and built on the reflective measures drawn from Urde (2003), Ewing and Napoli (2005), Keller (2008), Morgan et al. (2009a), O'Cass and Ngo (2011b), Orr et al. (2011), Vorhies et al. (2011), and O'Cass and Heirati (2015). The items sourced from these studies led to an initial development of a 9-item scale, examples of which are shown below:

When managing this brand, we have:

- Portrayed the brand with an appealing personality that reflects the brand's image.
- Identified potential extension opportunities that consolidate the brand's image.

4.6.3.1.1.2. Measure adoption

As discussed in Section 2.2.2 and detailed throughout Section 2.4, there is general consensus in the literature concerning the underlying concepts of formalisation, centralisation, departmentalisation, brand-specific TRL, and brand equity. Therefore, measures for these constructs were adopted from previous studies. Discussion of these measures is presented in the sections that follow.

Formalisation

Following prior literature as discussed in Section 2.4.2 and focusing on its conceptualisation as the specification of rules and procedures that guide employee on how to perform work tasks, the reflective 4-item measure of formalisation was adopted from the work of Vorhies and Morgan (2003), Auh and Menguc (2007), and Kabadayi et al. (2007). Some example items of this scale include:

In relation to the staff involved in the management of this brand:

- How things are done has never been left up to the person doing the work.
- They have had to conform to standard procedures and formal guidelines.

Centralisation

Following prior literature as discussed in Section 2.4.3 and focusing on its conceptualisation as the concentration of decision-making authority within higher level management positions, the reflective 4-item measure of centralisation was adopted from the work of Vorhies and Morgan (2003) and Auh and Menguc (2007). Some example items of this scale include:

In relation to the staff involved in the management of this brand:

- They have not been allowed to take an action before someone with authority makes a decision.
- They have had to refer even small matters to someone with more authority for a final decision.

Departmentalisation

Following prior literature as discussed in Section 2.4.4 and focusing on its conceptualisation as the lack of formal and informal contact among employees across different departments, the reflective 4-item measure of departmentalisation was adopted from the work of Matsuno et al., (2002). Some example items of this scale include:

Across all business levels (e.g., senior, middle management) and departments (e.g., marketing, accounting) involved in the management of this brand:

- Protecting one's departmental turf has been considered to be a way of life.
- There has been strong interdepartmental conflict.

Brand-specific transactional leadership (TRL)

Following prior literature as discussed in Sections 2.4.5 and 3.2.2, brand-specific TRL is viewed in this study as a leadership style that focuses on rewarding brand representatives for meeting role expectations and punishing them for not being in compliance with brand standards. Therefore, following the suggestions of Podsakoff, MacKenzie, Podsakoff, and Lee (2003b), brand-specific TRL is modelled as a Type II second-order formative construct comprising the reflective components of management-by-exception and contingent reward.

Management-by-exception

Following prior research and in line with its focus on closely monitoring employees for deviances, mistakes, and errors and then taking corrective actions when they occur, management-by-exception was measured by a 6-item scale adopted from the work of Morhart et al. (2009). Some example items of this scale include:

When managing this brand, have you consistently or always:

- Focused attention on irregularities, mistakes, exceptions, and deviations from what is expected of your staff as representatives of the brand?
- Monitored your staff's performance as brand representatives for errors needing correction?

Contingent reward

Following prior research and in line with its focus on specifying performance standards and rewarding brand representatives on the basis of meeting role expectations, contingent reward was measured by a 4-item scale

adopted from the work of Morhart et al. (2009). Some example items of this scale include:

When managing this brand, have you consistently or always:

- Pointed out what your staff will receive if they do what is required from a brand representative?
- Talked to your staff about special rewards for exemplary behaviour as a brand representative?

Brand equity

As discussed in Section 2.2.2, while there is consensus in the literature concerning the underlying concept of brand equity as the additional value endowed by the brand to the product, the dimensions by which it is underpinned are however context-specific in that they are argued to relate specifically to the context in which brand equity is measured (Christodoulides & de Chernatony, 2010). Thus, following the work of Keller (1993), brand equity is viewed in this study as a multidimensional construct comprising the dimensions of brand awareness and brand image.

However, recent studies in the brand equity literature argue that brand image is often constituted by a set of associations (Keller & Lehmann, 2006; Keller, 2008; Godey et al., 2012). As such, given this study's primary focus on examining brand management practices employed by businesses operating within the context of consumer goods with symbolic properties, the dimensions of perceived quality, social signalling value and uniqueness were drawn upon as the key brand associations that collectively form an image of the brand in the minds of consumers (see also Amaldoss & Jain, 2015). These dimensions were adopted because scholars in the branding literature argue that consumer goods with symbolic properties are generally perceived as superior in quality (e.g., Elliot,

1994; Vigneron & Johnson, 1999; O’Cass et al., 2013), having exceptional symbolic or social signalling value (e.g., Elliot, 1994; Eastman et al., 1999; Vigneron & Johnson, 1999) and unique (hence their ability to command a price premium in the marketplace) (Aaker, 1996; Truong et al., 2008; Truong et al., 2009). Therefore, following prior research (e.g., Yoo et al., 2000; Kim & Hyun, 2011), brand equity is conceptualised in this study as a Type II second-order formative construct comprising the reflective components of brand awareness, perceived quality, brand social signalling value and uniqueness.

Brand awareness

Building on prior literature and in line with its focus on capturing consumers’ ability to recognise or recall a brand, brand awareness was measured by a 4-item scale adopted from the work of Homburg et al. (2010). Some example items of this scale include:

Based on the most recent and up-to-date information available to us (e.g., company reports, financial reports), the information shows that:

- Consumers have seen and/or heard of this brand.
- Consumers can clearly relate this brand to a certain product category.

Perceived quality

Building on prior literature and in line with its focus on consumers’ subjective judgment about a brand’s overall excellence or superiority, perceived quality was measured by a 6-item scale adopted from the work of Yoo et al., (2000). Some example items of this scale include:

Based on the most recent and up-to-date information available to us (e.g., company reports, financial reports), the information shows that:

- Consumers consider this brand to be of high quality.
- Consumers consider the likely functionality of this brand to be very high.

Brand social signalling value

Building on prior literature and in line with its focus on the utility derived from the brand's ability to enhance the consumer's social self-concept, brand social signalling value was measured by a 4-item scale adopted from the work of Sweeney and Soutar (2001) and Zhou et al. (2010). Some example items of this scale include:

Based on the most recent and up-to-date information available to us (e.g., company reports, financial reports), the information shows that:

- Consumers think this brand would improve the way they are perceived.
- Consumers think this brand would make a good impression on other people.

Uniqueness

Building on prior literature and in line with its focus on the degree to which consumers feel the focal brand is different from other competing brands, uniqueness was measured by a 4-item scale adopted from the work of Netemeyer et al. (2004). Some example items of this scale include:

Based on the most recent and up-to-date information available to us (e.g., company reports, financial reports), the information shows that:

- Consumers perceive this brand as distinct from other brands in the same product category.
- Consumers perceive this brand as unique from other brands in the same product category.

Control variables

Control variables are factors that enable researchers to rule out alternative explanations for their findings (Becker, 2005). The inclusion of control variables as such enables researchers to obtain robust findings that are free from effects that may influence the interrelationships among constructs of interest in a given theoretical framework.

As respondents were required to think of the brand management practices undertaken over the past year at the time of survey response, the brand's prior performance would need to be controlled so that effects of brand management practices as measured in the survey could be captured. As such, following Morgan et al. (2009a), Vorhies et al. (2011), and Xu, Wu and Cavusgil (2013), the brand's base-year performance 12 months prior to the period covered by the survey was measured by the following item:

Please check the number that best reflects your response the following statement:

- Prior to the last 12 months, the overall performance of this brand was ...

Likewise, since the brand management practices employed by brand units might have been overseen or controlled by upper-level offices (e.g., headquarters, regional offices), their branding autonomy thus required regulation. To this end, following Zhou, Li, Sheng and Shao (2014), a two-item scale was included to control the degree to which the brand unit was able to autonomously develop and implement its own branding strategies:

Please check the number that best indicates your response to the following statements:

- We are free to develop our own branding strategies for this brand.
- We are free to implement our own branding strategies for this brand.

4.6.3.1.2. Step 2: Format and scale poles

As discussed in Section 4.6.3 and identified in Figure 4.2, upon generating the initial pool of measurement items, the next step of developing measures of constructs involves considering issues pertaining to scaling and response formatting. The importance of selecting the most suitable scale is widely acknowledged in the literature (Malhotra, 2015). Importantly, some scholars argue the adoption of a given scaling technique is contingent on the information

requirements of the study, the characteristics of the respondents and the proposed means of administration (Cavana et al., 2001; Malhotra, 2015).

Within the area of social science research, various scaling techniques can be observed, including the Semantic Differential Scale, the Guttman Scale and the Likert Scale. Among these different types of scaling technique, the Semantic Differential Scale and the Likert Scale are regarded as highly reliable and have been widely adopted in the marketing literature (Aaker et al., 2004). While the Semantic Differential Scale is bipolar in nature and pertains to the attitude object, the Likert Scale on the other hand is unipolar and made up of complete statements (Burns & Bush, 2006). In particular, the Likert Scale is used when the research aims to obtain a respondent's opinion on a given issue by measuring the direction and intensity of their attitude (Wiid & Diggines, 2009).

Between Semantic and Likert Scales, the latter was adopted and applied to this study because it permits the researcher to construct, administer and extract information from the survey with relative ease and minimal cost (Cavana et al., 2001; Wiid & Diggines, 2009; Malhotra, 2015). Thus, following previous research in areas similar to this study (e.g., Vorhies et al., 2011; Huang & Tsai, 2013; Hirvonen & Laukkanen, 2014), the seven-point Likert Scale was adopted.

As shown in Table 4.1, in operationalising the seven-point Likert Scale, this study followed prior research (e.g., Vorhies & Morgan, 2003; Merrilees et al., 2011; Huang & Tsai, 2013; Hirvonen & Laukkanen, 2014) and measured the constructs of *branding autonomy*, *brand orientation*, *brand management capability*, *formalisation*, *centralisation*, and *departmentalisation* with scale poles of 1=strongly disagree and 7=strongly agree. Following the recommendations of

Podsakoff, MacKenzie, Lee and Podsakoff (2003a) and Chen, Tang, Jin, Xie and Li (2014), different scale instructions, endpoints and formats were used for brand-specific TRL, brand equity and base-year performance to mitigate the threat of method bias that is commonly associated with the use of the same scale endpoints and anchors throughout the survey. Thus, *brand-specific TRL* was measured through scales poles of 1=not at all and 7=very extensively. *Brand equity* was measured through scale poles of 1=not at all and 7=very much so. The brand's *base-year performance* was measured through scale poles of 1=declining and 7=improving.

Table 4.1: Scale poles of research constructs

Branding Autonomy, Brand Orientation, Brand Management Capability, Formalisation, Centralisation, and Departmentalisation						
Strongly disagree						Strongly agree
1	2	3	4	5	6	7
Brand-specific TRL						
Not at all						Very extensively
1	2	3	4	5	6	7
Brand Equity						
Not at all						Very much so
1	2	3	4	5	6	7
Base-year Performance						
Declining			Constant			Improving
1	2	3	4	5	6	7

4.6.3.1.3. Step 3: Draft survey

As discussed in Section 4.6.3 and identified in Figure 4.2, upon completing the generation of measurement items and establishing appropriate format and scale poles, the next step involves developing the draft survey. As shown in Table 4.2, the draft survey contained 75 items measuring nine focal constructs and control variables.

Table 4.2: Constructs and number of corresponding items

Construct	Number of items
Brand orientation	
<i>Generation</i>	8
<i>Dissemination</i>	8
<i>Synthesis</i>	5
Brand management capability	9
Formalisation	4
Centralisation	4
Departmentalisation	4
Brand-specific TRL	
<i>Management by exception</i>	6
<i>Contingent reward</i>	4
Brand equity	
<i>Brand awareness</i>	4
<i>Perceived quality</i>	6
<i>Brand social signalling value</i>	6
<i>Uniqueness</i>	4
Base-year performance	1
Branding autonomy	2
Total	75

4.6.3.2. Phase Two – Item refinement

4.6.3.2.1. Step 4: Expert judges of face validity

As discussed in Section 4.6.3 and identified in Figure 4.2, upon completing the development of the draft survey, the next step involves having the face validity of the draft survey assessed by expert judges. Face validity refers to the extent to which a measure, item or indicator reflects what it is intended to measure (Rubio, Berg-Weger, Tebb, Lee, & Rauch, 2003). To this end, the procedures outlined by Ngo and O’Cass (2009) and Ngo and O’Cass (2012) were followed. Nine senior academics within the marketing discipline were employed as expert judges and provided with the conceptual definitions of the key constructs, the corresponding items and a set of instructions for judging. The

expert judges were asked to rate each item as either “not representative,” “somewhat representative” or “very representative” in relation to the construct definition. Upon receiving the expert judges’ feedback, decisions about which item to remove or retain were made on the basis of a three-stage procedure that synthesised the sum-score and complete approaches. This procedure resulted in the removal of 13 items. Consequently, 62 items were retained in the refined item pool.

4.6.3.2.2. *Step 5: Pre-test*

As discussed in Section 4.6.3 and identified in Figure 4.2, at the conclusion of expert judging, the next step involves organising the survey in preparation for pre-testing. To this end, in addition to retaining the 62 items that measure key research constructs in the refined item pool, four items were included to capture the demographic profile of brand units by focusing on the brand for which the brand unit was managerially responsible. These items tapped: (1) the brand unit’s operation in years since establishment; (2) the industry in which the brand was primarily involved; (3) the number of full-time employees working on the day-to-day management of the brand; and (4) the sales volume of the brand within the last financial year.

The respondent’s demographic profile was also assessed by including six items that tapped the respondent’s: (1) designated title or position; (2) years of experience in the position; (3) years of experience in the industry; (4) age; (5) gender; and (6) education background.

Finally, following previous research (e.g., O'Cass et al., 2014), two questions that tapped respondents' knowledge and confidence in responding to questions asked in the survey instrument were included to assess the reliability and integrity of responses obtained. To this end, respondents were first asked to indicate the extent to which they were knowledgeable of the business environment, operations, strategies, processes and performance of the brand for which they were managerially responsible (at the beginning of the survey). Then, respondents were asked to indicate their confidence in possessing the required knowledge to respond to questions asked throughout the survey (at the end of the survey). Following Atuahene-Gima (2005), these items were operationalised on a seven-point Likert scale with poles of 1=not at all and 7=very much so. In line with previous research (e.g., Vorhies, Morgan, & Autry, 2009; Morgan et al., 2009b), respondents who scored below five on any of these two questions were subsequently removed from the analysis.

Along with the addition of these demographic and confidence items, issues pertaining to the layout of the survey, opening instructions and question sequence were also addressed at this stage. Following conventional protocol, demographic questions were placed at the end of the survey (Malhotra, 2015). Further, to minimise possible errors and reduce potential ambiguities, special care was taken to ensure instructions were clear, simple and easy to understand. The completion of these editorial tasks thus culminated in the production of a survey that was ready for pre-testing. As shown in Table 4.3, the survey now has 74 items.

Table 4.3: Refined item pool and demographic items

Construct	Number of items
Brand orientation	
<i>Generation</i>	4
<i>Dissemination</i>	4
<i>Synthesis</i>	3
Brand management capability	6
Formalisation	4
Centralisation	4
Departmentalisation	4
Brand-specific TRL	
<i>Management by exception</i>	6
<i>Contingent reward</i>	4
Brand equity	
<i>Brand awareness</i>	4
<i>Perceived quality</i>	6
<i>Brand social signalling value</i>	6
<i>Uniqueness</i>	4
Base-year performance	1
Branding autonomy	2
Brand unit demographic	4
Respondent demographic	6
Respondent knowledge and confidence	2
Total	74

Some scholars suggest that prior to the launch of a survey instrument, preliminary pre-testing should be undertaken (Churchill, 1979; Malhotra, 2015). This pilot test is critical as it allows researchers to improve the readability and clarity of the survey instrument by making changes in areas that are unclear to the respondent (Malhotra, 2015).

Further, pre-testing can be undertaken either quantitatively or qualitatively (Presser et al., 2004). The qualitative approach was adopted in this study as it has been used extensively in the marketing literature (e.g., Atuahene-Gima, 2005; Vorhies et al., 2011; Ngo & O’Cass, 2012) and permits the probing that facilitates the elicitation of additional insights from respondents (e.g., Malhotra, 2015). In

doing so, in-depth interviews were conducted with ten senior and middle-level managers drawn from the original sampling frame, informants who were subsequently omitted during the launch of the final survey for data collection. Following Ngo and O’Cass (2012), these managers were asked to complete the draft survey and discuss the inherent instructions and items for clarity, comprehension, logic and relevance. Further, they were requested to think of more than one way to interpret what each item was asking and report these interpretations. Findings from these in-depth interviews suggested that in general, instructions and items in the survey were clear, applicable and easy to understand. The conclusion of these in-depth interviews resulted in the retention of all items in the final survey, as no major concerns were reported aside from a few wording issues which called for minor revisions.

4.6.3.2.3. *Step 6: Final survey*

As discussed in Section 4.6.3 and identified in Figure 4.2, the necessary steps taken to improve the draft survey at the pre-test stage culminated in the production of the final survey instrument that was used for data collection. As discussed earlier in Section 4.6.1.2, this study implements a multiple informant design to mitigate the potential threat of common method bias. In doing so, the total items retained in the refined item pool were dispersed across the two targeted informants. Specifically, the first informant was sought to provide information on formalisation, centralisation, brand management capability, brand-specific TRL, brand awareness, control variables, and firm demographic (Survey A consists of 43 items). The second informant, on the other hand, was sought to provide information on brand orientation, departmentalisation, perceived quality, brand social signally value, and uniqueness (Survey B consists of 39 items). According

to Podsakoff et al. (2003a), collecting data on dependent and independent variables from different sources reduce the threat of common method bias. Thus, in line with the implementation of a multiple informant design, this procedure separated the informants for the measures that capture the main predictor and criterion variables, thereby reduces the threat of common method bias (Atuahene-Gima, 2005).

4.6.4. ANTICIPATED DATA ANALYSIS TECHNIQUES

As discussed in Section 4.6 and identified in Stage Two of Figure 4.1, upon completing the development of the final survey, the next step involves identifying the appropriate data analysis techniques. As this study adopts a positivistic, descriptive approach using surveys to gather empirical data for hypotheses testing, quantitative methods are applied for data analysis. Thus, upon the completion of data collection and following prior research (e.g., Murray et al., 2011; Vorhies et al., 2011; Chen et al., 2014), preliminary analyses are undertaken before hypotheses are empirically.

Specifically, prior to hypotheses testing, all measures and constructs are subject to a purification process involving a series of reliability and validity assessments. Following this and consistent with previous research (e.g., Lam, Huang, & Snape, 2007; Tsai & Hsu, 2014), main and mediation effects are examined through the employment of a hierarchical regression analysis. In particular, the protocols for assessing mediation effects recommended by Baron and Kenny (1986) are followed, before supplementing this analysis with the bootstrap technique suggested by Preacher and Hayes (2004). Following Aiken and West (1991), moderation effects are examined by first mean-centring

interaction variables for the creation of interaction terms, and then effects are plotted graphically through the employment of a simple slope test. Lastly, mediated moderation effects are assessed by following the procedure recommended by Baron and Kenny (1986) and Muller, Judd and Yzerbyt (2005).

4.7. CONCLUSION

Building on the foundational work established in previous chapters, this chapter developed a blueprint that served to guide the strategies and processes through which data were collected. The development of this blueprint is critical to deriving findings that can be drawn upon to address the research questions and hypotheses established in Chapters One and Three respectively. Following previous works, this study adopted the quantitative-based descriptive research approach for data gathering and analysis. In doing so, brand units operating within the consumer-based sectors of fashion goods, consumer electronics and automobiles were regarded as an appropriate empirical setting from which critical insights about brand management practices employed by businesses were derived. Further, through the implementation of a multiple informant design, senior- and middle-level managers who were responsible for and actively involved in overseeing the day-to-day management of the brands identified above were targeted. This chapter also underwent a two-phase process to develop the survey instrument that was used to collect the data for the empirical analyses undertaken and discussed in the next chapter.

CHAPTER FIVE

DATA ANALYSIS AND RESULTS

5.1. INTRODUCTION

In Chapter One, the research objectives and questions that underpin this study were identified. Guided by these objectives and questions, a review of the relevant bodies of literature was undertaken and presented in Chapter Two. Drawing on the knowledge foundation provided by this review, individual hypotheses that constituted the theoretical model of this study as represented in Figure 3.4 were developed in Chapter Three. Guided by these underlying research questions and hypotheses, Chapter Four presented a detailed discussion of the methodology and research design which covered issues pertaining to sampling, data collection procedure and measures of constructs. Following this protocol, data were collected and subject to empirical analyses in this chapter. Zhang and Shaw (2012, p. 11) argue that:

“The purpose of a Results section is to answer the research questions that have been posed and provide empirical evidence for the hypotheses.”

Thus, the underlying objective of this chapter is to empirically address the research questions and hypotheses set out in Chapters One and Three respectively. In doing so and following discussions presented in Section 4.6.4, this chapter begins with a discussion of findings pertaining to preliminary analyses. Following this, hypotheses were empirically examined. Then, a summary of results is presented before this chapter closes with some concluding comments.

5.2. PRELIMINARY DATA ANALYSIS

As discussed in Section 4.6.4 and following prior research (e.g., Chen et al., 2014), upon the completion of data collection, preliminary analyses were first undertaken before proceeding to hypotheses testing. Following the approach suggested by Schilke, Reimann and Thomas (2009), Reimann, Schilke and Thomas (2010a, b), and Murray et al. (2011), analysis was first performed to examine the key information and profile of the sample. Following this, potential issues associated with nonresponse and common method biases were examined. Then, prior to hypotheses testing, analysis of the psychometric properties of measures was performed on the constructs to assess their reliability and validity.

5.2.1. Sample characteristics

Abiding by the methodological approach, research design, and data collection procedure specified in Chapter Four, a total of 366 surveys were obtained, constituting 183 paired cases following the multiple informant design detailed in Section 4.6.1.2. However, as discussed in Section 4.6.3.2.2 and consistent with previous research (e.g., Morgan et al., 2009b; Vorhies et al., 2009), surveys that were incomplete or where the key informant provided low ratings (i.e., scoring below five on a seven-point Likert scale) on questions pertaining to knowledge and confidence were removed. The removal of these surveys led to the retainment of 242 usable surveys, constituting 121 complete cases.

The composition of the sample is detailed in Table 5.1. As discussed in Section 4.6.1.1, this study focuses only on businesses that are responsible for managing consumer brands within the sectors of fashion, automobile and

consumer electronics due to the strong tradition of branding in these specific areas as highlighted by previous research (e.g., Yoo et al., 2000; Netemeyer et al., 2004; Beverland et al., 2010; Valette-Florence et al., 2011; Buil et al., 2013). Among the informants who completed Survey A, 49 (40.5%) of them were marketing directors, 40 (33.1%) were senior brand or product managers, 24 (19.8%) were senior marketing managers, while the remaining 8 (6.6%) were deputy marketing directors. These informants had mean scores of 5.14 and 5.32 for questions tapping knowledge and confidence respectively, and had an average industry experience of 8.28 years. Among the informants who completed Survey B, 50 (41.3%) were marketing managers, 36 (29.8%) were brand or product managers, 21 (17.4%) were sales managers, while the remaining 14 (11.6%) were marketing executives. These informants had mean scores of 5.23 and 5.24 for questions tapping knowledge and confidence respectively, and had an average industry experience of 5.99 years.

Among the 121 brand units, 87 (71.9%) were operating in the fashion industry, 21 (17.4%) were operating in the consumer electronics industry, while the remaining 13 (10.7%) were operating in the automobile industry. In terms of brand unit age, 46 of the 121 (38.0%) brand units have been in operation for less than 20 years, 25 (20.7%) have been established for 20 to 39 years, 17 (14.0%) have been in operation for 40 to 59 years, while the remaining 33 (27.3%) have been established for 60 years or more.

In relation to brand unit size, 14 of the 121 (11.6%) brand units have less than 50 full time employees, 20 (16.5%) have between 50 and 99 full time employees, 17 (14.0%) have between 100 and 149 full time employees, while the

remaining 70 (57.9%) have 150 full time employees or more. Further, in terms of sales volume, 67 of the 121 (55.4%) brand units indicated at the time of survey response that they had less than \$8 million of brand sales within the last financial year while the other 54 (44.6%) had brand sales of \$8 million or more within the last financial year.

Table 5.1: Sample composition

Characteristic	Frequency	Percent
Industry		
Fashion	87	71.9
Consumer electronics	21	17.4
Automobile	13	10.7
Number of years established or in operation		
Less than 20 years	46	38.0
Between 20 and 39 years	25	20.7
Between 40 and 59 years	17	14.0
60 years or more	33	27.3
Number of full time employees		
Less than 50	14	11.6
Between 50 and 99	20	16.5
Between 100 and 149	17	14.0
150 or more	70	57.9
Sales volume		
Less than \$8 million	67	55.4
\$8 million or more	54	44.6
Position of first informant (Survey A)		
Marketing director	49	40.5
Senior brand or product manager	40	33.1
Senior marketing manager	24	19.8
Deputy marketing director	8	6.6
Position of second informant (Survey B)		
Marketing manager	50	41.3
Brand or product manager	36	29.8
Sales manager	21	17.4
Marketing executive	14	11.6

5.2.2. Non-response bias

In addressing non-response bias, prior research suggests that late respondents resemble non-respondents more closely than do early respondents, such that late respondents are deemed to be representative of non-respondents (Ngo & O'Cass, 2012; Baker, Grinstein, & Harmancioglu, 2015). In this light and following previous studies (e.g., Schilke et al., 2009; Vorhies et al., 2011; Ho & Ganesan, 2013; Tsai & Hsu, 2014), non-response bias was assessed by performing a *t*-test to determine if there were any significant differences between early and late respondents on key constructs. Results of the *t*-test revealed no significant differences between the two groups of respondents. Following Noordhoff, Kyriakopoulos, Moorman, Pauwels and Dellaert (2011) and Baker et al. (2015), the performance of a similar test also showed no significant differences between the two groups on either size or industry classification. Taken together, these results indicated non-response bias was not a serious concern in this study.

5.2.3. Common method bias

Common method variance has the potential to introduce spurious relationships among variables when data is collected from a single respondent or through a single method (e.g., Podsakoff et al., 2003a). In particular, Podsakoff et al. (2003a) argue that common method variance or same source bias can lead to the establishment of measurement error which may affect structural parameter estimates and significance of hypotheses testing. Given these concerns associated with common method variance, several procedural and statistical remedies were employed to minimise its severity.

First, as specified in Section 4.6.3.2.3 and following previous research (e.g., Atuahene-Gima, 2005; Slotegraaf & Atuahene-Gima, 2011), measures for key variables were obtained from different sources through the implementation of a multiple informant design. This procedure separated informants for measures capturing main predictor and criterion variables, thus reducing the threat of common method bias (Atuahene-Gima, 2005). Second, following the recommendations of Podsakoff et al. (2003a), key informants were assured anonymity and confidentiality to reduce socially desirable responses, and reassured that there were no right or wrong answers to reduce apprehension. Third, special care was taken to minimise the likelihood of respondents guessing the relationship between the independent and dependent variables and matching their responses to the two measures. As discussed in Section 4.6.3.1.2, this was accomplished by using different sets of instructions and scale endpoints and formats, putting a number of filler items in between constructs, and placing them in different parts of the survey (Podsakoff et al., 2003a).

In addition to the procedural remedies undertaken above, two tests were also performed to assess the potential threat of common method bias following the procedures recommended by Verhoef and Leeflang (2009) and Murray et al. (2011). First, a factor analysis of all included items showed that no single factor was apparent in the factor structure, with the first factor accounting for only 17.35% of the 64.72% total variance. This result showed the first (largest) factor did not account for the majority of the total variance explained. Second, an item that had no theoretical relation to any of the key constructs captured in this study was included. The item was “it is good to drive over the speed limit,” measured

on a seven-point Likert scale with poles of 1=strongly disagree and 7=strongly agree. The calculated correlations between this item and the key constructs in this study, ranging from -.08 to .06, were not statistically significant. Taken together, these results provided no evidence of common method bias.

5.2.4. Measure assessment

As discussed throughout Section 4.6.3, the key constructs captured in this study include brand orientation, brand management capability, formalisation, centralisation, departmentalisation, brand-specific TRL, and brand equity. All constructs were measured by multiple items, with some modelled as unidimensional, while others second-order constructs with first-order components. Following prior research (e.g., Reimann et al., 2010a, b; Vorhies et al., 2011), these multi-item measures were subject to an analysis of their psychometric properties. The analysis was first performed on unidimensional constructs and first-order components, followed by second-order constructs.

Following prior research (e.g., Hair, Ringle, & Sarstedt, 2011), different assessment indices were drawn upon given that both reflective and formative measures were used in this study. For reflective measures, the assessment was undertaken through an analysis of such indices as individual item loadings and composite reliability (CR) and average variance extracted (AVE) estimates. For formative measures, the concepts of internal consistency and convergent validity are not applicable (Diamantopoulos & Winklhofer, 2001). Thus, consistent with prior research (e.g., Reimann et al., 2010a, b; Wilden, Gudergan, Nielsen, & Lings, 2013), the psychometric properties of formative measures were assessed

through an examination of such indices as indicator weights or paths and variance inflation factor (VIF) values to identify multicollinearity among indicators.

5.2.4.1. First-order constructs

As detailed in Section 4.6.3.1.1.1, brand orientation is conceptualised in this study as comprising the reflective components of generation, dissemination and synthesis. Following the assessment of face validity as detailed in Section 4.6.3.2.1, Table 4.3 indicated that both *generation* and *dissemination* were measured by four items while *synthesis* was measured by three items. As presented in Table 5.2, the psychometric analysis showed that for *generation*, the AVE is .62 and CR is .87, with indicator loadings ranging from .75 to .81. Similarly, for *dissemination*, the AVE is .69 and CR is .90, with indicator loadings ranging from .81 to .86. Likewise, for *synthesis*, the AVE is .72 and CR is .88, with indicator loadings ranging from .81 to .89.

Table 5.2: Psychometric analysis of brand orientation

Constructs and items	Loading	t-value
Brand orientation		
Generation (AVE = .62, CR = .87)		
<i>When managing this brand, we have:</i>		
Developed knowledge about consumers' needs.	.77	17.12
Developed detailed knowledge about what consumers like and dislike about the brand.	.80	20.67
Evaluated if the profile of the brand is different from those of competitors.	.75	18.22
Reviewed the likely effect of changes in the business environment (<i>e.g., regulation, consumer preferences, competitors' actions, technology</i>) on the brand.	.81	23.55
Dissemination (AVE = .69, CR = .90)		
<i>Across all business levels (e.g., senior, middle management) and departments (e.g., marketing, accounting) involved in the management of this brand:</i>		
The "stories" that reflect the brand's identity and what it stands for have been circulated internally.	.83	27.50
Current and new employees have been educated about the brand's identity and what it stands for.	.81	20.93
Information related to the brand has been shared and disseminated.	.82	23.72
There has been a consistently similar level of understanding of the brand.	.86	30.40

Table 5.2: Psychometric analysis of brand orientation (continued)

Constructs and items	Loading	t-value
Synthesis (AVE = .72, CR = .88)		
<i>When managing this brand, we have:</i>		
Processed and organised market information in meaningful ways on the basis of its relevance with the brand.	.84	27.15
Integrated information from a variety of sources (<i>e.g., consumer reports, brand profile</i>) when developing marketing strategies for the brand.	.89	38.43
Ensured that all information sources (<i>e.g., brand profile, market reports</i>) are thoroughly considered when making decisions for the brand.	.81	18.31

As discussed in Section 4.6.3.1.1.1, brand management capability is viewed in this study as the inter-related processes and routines firms have in place to reflect and reinforce the brand's image in the marketplace. Following the assessment of face validity detailed in Section 4.6.3.2.1 and as identified in Table 4.3, brand management capability was measured by six items in a reflective manner. As shown in Table 5.3, the psychometric analysis showed that the AVE is .55 and CR is .88, with indicator loadings ranging from .71 to .79.

Table 5.3: Psychometric analysis of brand management capability

Construct and items	Loading	t-value
Brand management capability (AVE = .55, CR = .88)		
<i>When managing this brand, we have:</i>		
Developed positioning strategies that are consistent with the brand's image.	.79	19.40
Established the appropriate associations that reinforce the brand's image in consumers' minds.	.71	9.85
Controlled the consistency between consumers' perceived image of the brand and its intended image.	.72	7.88
Portrayed the brand with an appealing personality that reflects the brand's image.	.73	14.55
Identified potential extension opportunities that consolidate the brand's image.	.73	13.34
Developed marketing programs that send messages about the brand to consumers.	.75	13.22

As discussed in Section 4.6.3.1.1.2, formalisation is viewed in this study as the specification of rules and procedures that guide employees on how to perform work tasks. Following the assessment of face validity as detailed in Section

4.6.3.2.1, Table 4.3 indicated that formalisation was measured by four items in a reflective manner. As depicted in Table 5.4, the psychometric analysis showed that the AVE is .72 and CR is .91, with indicator loadings ranging from .82 to .87.

Table 5.4: Psychometric analysis of formalisation

Construct and items	Loading	t-value
Formalisation (AVE = .72, CR = .91)		
<i>In relation to the staff involved in the management of this brand:</i>		
They have had to follow written work rules for their job.	.83	22.37
How things are done has never been left up to the person doing the work.	.86	24.62
They have not been allowed to do as they please when performing their work.	.82	16.38
They have had to conform to standard procedures and formal guidelines.	.87	26.92

As discussed in Section 4.6.3.1.1.2, centralisation is viewed in this study as the concentration of decision-making authority within higher level management positions. Following the assessment of face validity detailed in Section 4.6.3.2.1 and as identified in Table 4.3, centralisation was measured by four items in a reflective manner. As presented in Table 5.5, the psychometric analysis showed that the AVE and CR estimates for centralisation are .70 and .90 respectively, with indicator loadings ranging from .79 to .85.

Table 5.5: Psychometric analysis of centralisation

Construct and items	Loading	t-value
Centralisation (AVE = .70, CR = .90)		
<i>In relation to the staff involved in the management of this brand:</i>		
They have not been allowed to take an action before someone with authority makes a decision.	.79	12.10
A person who wants to make his or her own decisions has been quickly discouraged.	.84	20.07
They have had to refer even small matters to someone with more authority for a final decision.	.82	14.78
Any decision a person makes has been subject to the approval of his or her boss.	.85	12.37

As discussed in Section 4.6.3.1.1.2, departmentalisation is viewed in this study as the lack of formal and informal contact among employees across different departments. Following the assessment of face validity as detailed in Section 4.6.3.2.1, Table 4.3 indicated that departmentalisation was measured by four items in a reflective manner. As presented in Table 5.6, the psychometric analysis showed that the AVE and CR estimates for departmentalisation are .83 and .95 respectively, with indicator loadings ranging from .86 to .94.

Table 5.6: Psychometric analysis of departmentalisation

Construct and items	Loading	t-value
Departmentalisation (AVE = .83, CR = .95)		
<i>Across all business levels (e.g., senior, middle management) and departments (e.g., marketing, accounting) involved in the management of this brand:</i>		
Employees from different departments have not felt that the goals of their respective departments are in harmony with each other.	.86	21.53
Protecting one's departmental turf has been considered to be a way of life.	.92	50.99
There has been strong interdepartmental conflict.	.93	71.03
There has been little opportunity for informal "hall talk" among individuals from different departments.	.94	80.46

As detailed in Section 4.6.3.1.1.2, brand-specific TRL is conceptualised in this study as comprising the reflective components of management by exception and contingent reward. Following the assessment of face validity detailed in Section 4.6.3.2.1 and as identified in Table 4.3, *management by exception* was measured by six items while *contingent reward* was measured by four items. As presented in Table 5.7, the psychometric analysis showed that for *management by exception*, the AVE is .59 and CR is .90, with indicator loadings ranging from .74 to .82. For *contingent reward*, the AVE and CR estimates are .62 and .87 respectively, with indicator loadings ranging from .75 to .81.

Table 5.7: Psychometric analysis of brand-specific TRL

Constructs and items	Loading	t-value
Brand-specific TRL		
<i>When managing this brand, have you consistently or always:</i>		
Management by exception (AVE = .59, CR = .90)		
Focused attention on irregularities, mistakes, exceptions, and deviations from what is expected of my staff as representatives of the brand?	.74	16.55
Kept careful track of my staff's mistakes regarding brand-consistency behaviour?	.82	21.71
Monitored my staff's performance as brand representatives for errors needing correction?	.78	20.08
Ensured I am alert of my staff's failure to meet standards for brand-consistent behaviour?	.74	16.08
Reprimanded my staff when their performance is not up to standards for brand-consistent behaviour?	.75	15.58
Reacted with according sanctions if my staff do not adhere to the standards for brand-consistent behaviour?	.74	12.45
Contingent reward (AVE = .62, CR = .87)		
Pointed out what my staff will receive if they do what is required from a brand representative?	.75	14.06
Told my staff what to do to be rewarded for their efforts for brand-consistent behaviour?	.81	19.24
Worked out agreements with my staff on what they will receive if they behave in line with the standards for brand-consistent behaviour?	.80	21.75
Talked to my staff about special rewards for exemplary behaviour as a brand representative?	.77	20.25

As detailed in Section 4.6.3.1.1.2, brand equity as the additional value endowed by the brand to the product is conceptualised in this study as comprising the reflective components of brand awareness, perceived quality, brand social signalling value and uniqueness. Following the assessment of face validity as detailed in Section 4.6.3.2.1, Table 4.3 indicated that both *brand awareness* and *uniqueness* were measured by four items while both *perceived quality* and *brand social signalling value* were measured by six items. As depicted in Table 5.8, the psychometric analysis showed that for *brand awareness*, the AVE is .64 and CR is .88, with indicator loadings ranging from .79 to .81. For *perceived quality*, the AVE is .53 and CR is .87, with indicator loadings ranging from .64 to .76. For *brand social signalling value*, the AVE is .75 and CR is .89, with indicator loadings ranging from .69 to .78. Lastly, for *uniqueness*, the AVE is .57 and CR is .84, with indicator loadings ranging from .63 to .81.

Table 5.8: Psychometric analysis of brand equity

Constructs and items	Loading	t-value
Brand equity		
<i>Based on the most recent and up-to-date information available to us (e.g., company reports, financial reports), the information shows that:</i>		
Brand awareness (AVE = .64, CR = .88)		
Consumers have seen and/or heard of this brand.	.79	21.71
Consumers can recall this brand's name immediately when they think of the product category in which it is positioned.	.81	21.99
This brand is often at the top of the minds of consumers when they think of the product category in which it is positioned.	.80	21.25
Consumers can clearly relate this brand to a certain product category.	.79	19.28
Perceived quality (AVE = .53, CR = .87)		
Consumers consider this brand to be of high quality.	.76	15.40
Consumers consider the likely quality of this brand to be extremely high.	.73	11.76
Consumers consider the likely functionality of this brand to be very high.	.64	6.26
Consumers consider the likely reliability of this brand to be very high.	.72	10.72
Consumers consider this brand to be of very good quality.	.74	13.51
Consumers consider this brand to be of very poor quality. (R)	.71	10.03
Brand social signalling value (AVE = .57, CR = .89)		
Consumers think this brand would improve the way they are perceived.	.69	13.62
Consumers think this brand would make a good impression on other people.	.78	21.95
Consumers think this brand would help them feel trendy/up-to-date.	.77	17.32
Consumers think this brand is particularly appropriate to use in social contexts.	.76	18.46
Consumers think this brand would help them feel acceptable.	.77	18.50
Consumers think this brand would give them social approval.	.71	12.14
Uniqueness (AVE = .57, CR = .84)		
Consumers perceive this brand as distinct from other brands in the same product category.	.63	6.85
Consumers perceive this brand as really "stands out" from other brands in the same product category.	.77	17.64
Consumers perceive this brand as different from other brands in the same product category.	.81	22.72
Consumers perceive this brand as unique from other brands in the same product category.	.76	15.78

5.2.4.1.1. Convergent validity

Given that all unidimensional constructs and first-order components were captured using reflective measures, the assessment of convergent validity is appropriate (Hair et al., 2011). Convergent validity captures the extent an indicator is associated with its intended construct (Hulland, 1999). As shown in Tables 5.2 to 5.8, all individual indicator loadings (ranging from .63 to .94) are significant ($p < .01$) and greater than the required benchmark of .50, providing evidence of indicator reliability. It is also said that the assessment of convergent validity is based on two criteria. First, Nunnally (1978) suggests that convergent

validity is demonstrated when the CR of a construct exceeds the .70 benchmark. Second, Fornell and Larcker (1981) suggest that convergent validity is demonstrated when the AVE of a construct exceeds the .50 threshold. As shown in Tables 5.2 through 5.8, the CR (ranging from .84 to .95) and AVE (ranging from .53 to .83) estimates for each construct are greater than the acceptable limits of .70 and .50 respectively (Bagozzi & Yi, 1988). Taken together, these results provide sufficient evidence of satisfactory convergent validity.

5.2.4.1.2. Discriminant validity

The assessment of discriminant validity is appropriate given that all unidimensional constructs and first-order components were captured using reflective measures (Hair et al., 2011). Discriminant validity captures the extent items of a construct are different from items of other constructs (Hulland, 1999). Fornell and Larcker (1981) argue that if the correlation between two constructs is less than the square root of their respective AVE estimates, there is strong support for discriminant validity. As shown in Table 5.9, the square roots of all AVE values (ranging from .73 to .91) are greater than the off-diagonal correlation estimates (ranging from -.41 to .55) between the corresponding constructs. This finding indicates sufficient discriminant validity. To further validate this result, the approach recommended by Gaski and Nevin (1985) and Ngo and O'Cass (2012) was adopted. Discriminant validity is observed when the correlation between two constructs is not greater than their respective reliability estimates. Again, as shown in Table 5.9, the reliability estimates of any two constructs (ranging from .84 to .95) are greater than their corresponding correlation value. Taken together, these results provide evidence of adequate discriminant validity.

Table 5.9: Construct statistics and correlation matrix

Construct	Mean	SD	AVE	CR	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Generation	5.08	.58	.62	.87	.79												
2. Dissemination	5.13	.62	.69	.90	.55**	.83											
3. Synthesis	5.11	.67	.72	.88	.38**	.49**	.85										
4. Brand management capability	5.19	.57	.55	.88	.47**	.43**	.23*	.74									
5. Formalisation	5.08	.74	.72	.91	.13	.21*	.18	.19*	.85								
6. Centralisation	5.06	.78	.70	.90	.04	.05	-.01	.01	.03	.84							
7. Departmentalisation	4.13	.88	.83	.95	-.25**	-.35**	-.22*	-.41**	-.19*	.02	.91						
8. Management by exception	5.13	.68	.59	.90	-.02	.13	.10	.21*	-.03	-.08	-.06	.77					
9. Contingent reward	5.27	.65	.62	.87	.06	.07	.04	.13	.14	-.10	-.06	-.09	.79				
10. Brand awareness	5.17	.60	.64	.88	.19*	.09	.18*	.35**	.05	.01	-.24**	.04	.19*	.80			
11. Perceived quality	5.24	.55	.53	.87	.41**	.43**	.31**	.43**	.23*	.14	-.15	.19*	.21*	.25**	.73		
12. Brand social signalling value	5.22	.52	.57	.89	.31**	.27**	.22*	.36**	.11	-.15	-.25**	.22*	.11	.11	.36**	.76	
13. Uniqueness	5.30	.49	.57	.84	.13	.17	.08	.23*	-.08	.05	-.21*	.26**	.04	.07	.31**	.21*	.76

Notes: * $p < .05$; ** $p < .01$; square root of AVE estimates are shown in boldfaced, italicised diagonal entries; SD = standard deviation; CR = composite reliability.

5.2.4.2. Second-order constructs

Having demonstrated the reliability and validity of first-order components, emphasis was then given to assessing the psychometric properties of second-order constructs. As discussed throughout Section 4.6.3.1.1, brand orientation, brand-specific TRL and brand equity were modelled as Type II second-order formative constructs (whose first-order reflective components were previously evaluated). As discussed in Section 5.2.4 and following previous research (e.g., Reimann et al., 2010a, b; Wilden et al., 2013), the assessment of formative measures was undertaken through an examination of indicator weights or paths and VIF values.

An analysis of the path coefficients of the three components of brand orientation on the brand orientation construct showed that the path coefficients (.41 for generation, .50 for dissemination, .32 for synthesis) are positive and significant ($p < .01$, t values ranged from 10.51 to 14.38). An examination of the VIF values (ranging from 1.34 to 1.65) among the three components of brand orientation also indicated that multicollinearity was not an issue given that they were well below the cut-off value of 5 (Hair et al., 2011). These results provided support for the reliability and validity of the measurement of brand orientation as a second-order construct comprising three first-order components.

Similarly, an analysis of the paths between the two components of brand-specific TRL and the brand-specific TRL construct showed that the paths (.70 for management by exception and .49 for contingent reward) are positive and significant ($p < .01$, t values ranged from 4.88 to 8.60). An examination of the VIF values (1.11 for management by exception and 1.11 for contingent reward) among the two components of brand-specific TRL also indicated that multicollinearity

was not an issue given that they were well below the cut-off value of 5 (Hair et al., 2011). These results provided support for the reliability and validity of the measurement of brand-specific TRL as a second-order construct comprising two first-order components.

Likewise, an analysis of the path coefficients of the four components of brand equity on the brand equity construct revealed that the path coefficients (.20 for brand awareness, .49 for perceived quality, .50 for brand social signalling value, and .20 for uniqueness) are positive and significant ($p < .05$, t values ranged from 2.25 to 6.63). An examination of the VIF values (ranging from 1.07 to 1.30) among the four components of brand equity also indicated that multicollinearity was not an issue given that they were well below the cut-off value of 5 (Hair et al., 2011). These results provided support for the reliability and validity of the measurement of brand equity as a second-order construct comprising four first-order components. In light of these findings and following previous research (e.g., Chen et al., 2014; Schilke, 2014; Story et al., 2015), the individual components of each second-order construct were averaged and aggregated into a composite score for the purpose of further analyses.

5.3. HYPOTHESES TESTING

Having determined the measures were psychometrically sound, focus was then directed to empirically analysing the individual hypotheses established in Chapter Three. Consistent with prior research (e.g., Baron & Kenny, 1986; Muller et al., 2005; Lam et al., 2007; Chen et al., 2014; Tsai & Hsu, 2014) and following the theoretical structure that was established in Chapter Three, hypotheses testing was undertaken in a stepwise approach using hierarchical regression analysis –

first, the mediating component was analysed (Hypotheses 1 to 3); then, the moderating component was examined (Hypotheses 4 to 7); lastly, the mediation and moderation processes were incorporated and assessed in an integrative manner (Hypotheses 8a to 8d).

5.3.1. Hypotheses 1 – 3

Following previous research (e.g., Chen et al., 2014), a hierarchical regression analysis was adopted to test Hypotheses 1 to 3. To this end, a succession of regression models were established, in each of which the variance (R^2), incremental variance (ΔR^2), and statistical significance (F tests) were evaluated. In so doing, control variables were entered in the first step, followed by the predictor in the second step and finally the mediator in the third step.

In Hypothesis 1, it was posited that brand orientation would be positively related to brand management capability. As shown in Table 5.10 (Step 2 of Model 2), the influence of brand orientation on brand management capability is positive and significant ($\beta = .44, t = 5.20, p < .001$), providing support for Hypothesis 1.

In Hypothesis 2, it was posited that brand management capability would be positively related to brand equity. As shown in Table 5.10 (Step 3 of Model 3), the influence of brand management capability on brand equity is positive and significant ($\beta = .38, t = 4.46, p < .001$), thus providing support for Hypothesis 2.

In Hypothesis 3, it was posited that brand management capability would mediate the relationship between brand orientation and brand equity. To test this hypothesis, the analytical procedure recommended by Baron and Kenny (1986) was followed. Specifically, establishing mediation requires the fulfilment of four

essential conditions. First, the independent variable must be significantly related to the dependent variable. As shown in Table 5.10 (Step 2 of Model 1), brand orientation is significantly related to brand equity ($\beta = .45$, $t = 5.40$, $p < .001$), thus fulfilling the first condition of mediation.

Second, the independent variable must be significantly related to the mediating variable. This condition is essentially Hypothesis 1, for which empirical support was previously found. Third, the mediating variable must be significantly related to the dependent variable. This condition is essentially Hypothesis 2, for which empirical support was previously found.

Table 5.10: Results of hierarchical regression analysis for Hypotheses 1 to 3

Variable	Model 1: BE		Model 2: BMC		Model 3: BE
	Step 1	Step 2	Step 1	Step 2	Step 3
Age	-.02	.01	-.05	-.03	.02
Size	-.03	-.04	-.03	-.04	-.02
Autonomy	.15†	.22**	.05	.11	.18*
Base-year performance	.23*	.13	.26**	.16†	.07
BO		.45***		.44***	.28**
BMC					.38***
R ²	.08	.27	.08	.25	.38
Adjusted R ²	.05	.24	.05	.22	.34
F-value	2.57*	8.39***	2.42†	7.77***	11.45***
ΔR^2		.19***		.18***	.11***

Notes: † $p < .10$; * $p < .05$; ** $p < .01$; *** $p < .001$; standardised regression coefficients are reported (two-tailed tests); BO = brand orientation; BMC = brand management capability; BE = brand equity.

Fourth, the effect of the independent variable on the dependent variable must be reduced in size or significance when the independent variable is introduced simultaneously with the mediating variable. As shown in Table 5.10 (Step 3 of Model 3), the effect of brand orientation on brand equity was reduced

in both size and significance when introduced simultaneously with brand management capability ($\beta = .45, p < .001$ versus $\beta = .28, p < .01$). These findings fulfil the fourth condition of mediation, thus providing support for Hypothesis 3.

Following previous research (e.g., Sun, Song, & Lim, 2013), a supplementary analysis was undertaken to substantiate the findings reported above concerning the mediating role of brand management capability in the association between brand orientation and brand equity. To this end and following the recommendations of Preacher and Hayes (2004) and Preacher, Rucker and Hayes (2007), the bootstrap method was adopted to test the statistical significance of the indirect effect. Upper and lower bound confidence intervals at the 95 percent significance level were computed and derived from 1,000 bias-corrected bootstrap samples. A statistically significant indirect effect is evident when the 95 percent upper and lower bound confidence intervals do not contain zero. Following prior research (e.g., Ngo & O'Cass, 2012), the statistical significance of this indirect effect was also examined through the Sobel test.

Consistent with prior analyses, the bootstrap method shows that the indirect effect of brand orientation on brand equity through brand management capability is statistically significant ($\beta = .12$, LLCI = .05, ULCI = .23, bias-corrected 95% confidence intervals). Additional support for the statistical significance of this indirect effect was also provided by the Sobel test ($z = 3.47, p < .001$). Taken together, these findings provide additional support for Hypothesis 3 and indicate that the relationship between brand orientation and brand equity is mediated by brand management capability.

5.3.2. Hypotheses 4 – 7

Consistent with prior research (e.g., Chen et al., 2014), a hierarchical moderated regression analysis was adopted to examine Hypotheses 4 to 7. To this end, a succession of regression models were established, in each of which the variance (R^2), incremental variance (ΔR^2), and statistical significance (F tests) were evaluated. In so doing, control variables were entered in the first model, followed by the predictors in the second model and finally the interaction terms in the third model. Following the recommendations of Aiken and West (1991), all independent and moderating variables were mean centered prior to the creation of interaction terms to mitigate the risk of multicollinearity. An analysis of the VIF values across the regression models showed that none of the VIF values (ranging from 1.00 to 3.58) were greater than the threshold of 10 (Hair, Black, Babin, & Anderson, 2010), thus providing no significant evidence of multicollinearity.

In Hypothesis 4, it was predicted that the positive influence of brand orientation on brand management capability would be stronger when formalisation is high than when it is low. As shown in Model 3 of Table 5.11, the interaction between brand orientation and formalisation is significantly related to brand management capability ($\beta = .16, t = 1.75, p < .10$).

Following previous research (e.g., Aiken & West, 1991; Atuahene-Gima, 2005), a simple slope test was undertaken to further probe the interaction effect at one standard deviation below and above the mean of the moderator, formalisation. As illustrated in Figure 5.1, the results of simple slope test show that the relationship between brand orientation and brand management capability is significant when formalisation is high ($\beta = .38, t = 4.58, p < .001$), but not when it

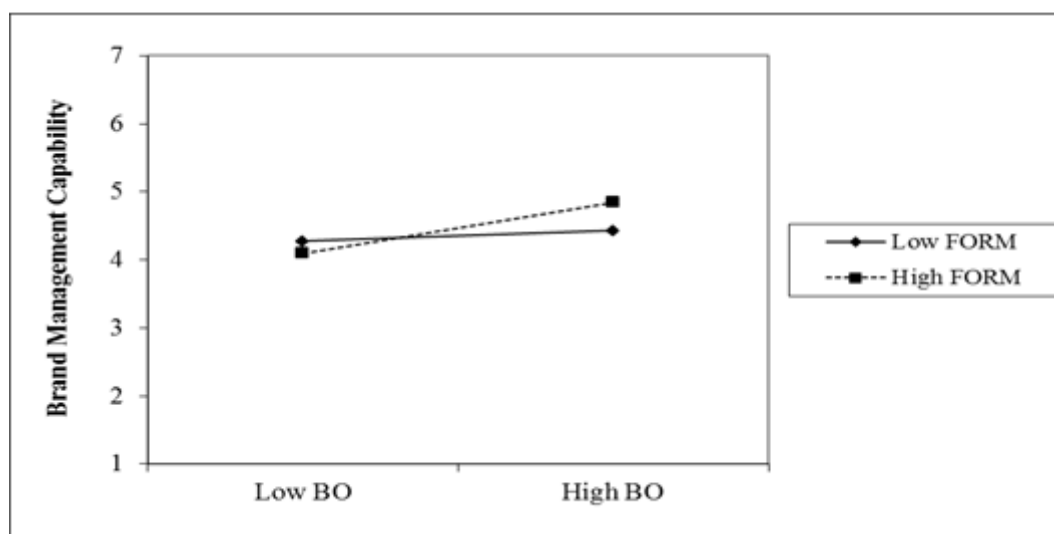
is low ($\beta = .08$, $t = .64$, n. s.). Taken together, these findings provide support for Hypothesis 4.

Table 5.11: Results of hierarchical moderated regression analysis for Hypothesis 4

Variable	Brand Management Capability		
	Model 1	Model 2	Model 3
Age	-.05	-.02	-.04
Size	-.03	-.03	-.04
Autonomy	.05	.10	.10
Base-year performance	.26**	.16†	.15†
BO		.42***	.35***
FORM		.08	.10
BO×FORM			.16†
R ²	.08	.26	.28
Adjusted R ²	.05	.22	.23
F-value	2.42†	6.60***	6.20***
ΔR ²		.18***	.02†

Notes: † $p < .10$; * $p < .05$; ** $p < .01$; *** $p < .001$; standardised regression coefficients are reported (two-tailed tests); BO = brand orientation; FORM = formalisation.

Figure 5.1: Slope analysis for the interactive effect of brand orientation and formalisation on brand management capability



Notes: BO = brand orientation; FORM = formalisation.

In Hypothesis 5, it was predicted that the positive influence of brand orientation on brand management capability is stronger when centralisation is high than when it is low. As shown in Model 3 of Table 5.12, the interaction between brand orientation and formalisation is not significantly related to brand

management capability ($\beta = -.01$, $t = -.11$, n. s.), thus providing no support for Hypothesis 5.

Table 5.12: Results of hierarchical moderated regression analysis for Hypothesis 5

Variable	Brand Management Capability		
	Model 1	Model 2	Model 3
Age	-.05	-.03	-.03
Size	-.03	-.03	-.03
Autonomy	.05	.13	.13
Base-year performance	.26**	.19*	.19*
BO		.43***	.43***
CENT		.09	.09
BO×CENT			-.01
R ²	.08	.26	.26
Adjusted R ²	.05	.22	.21
F-value	2.42†	6.63***	5.63***
ΔR ²		.18***	.00

Notes: † $p < .10$; * $p < .05$; ** $p < .01$; *** $p < .001$; standardised regression coefficients are reported (two-tailed tests); BO = brand orientation; CENT = centralisation.

In Hypothesis 6, it was predicted that the positive influence of brand orientation on brand management capability is weaker when departmentalisation is high than when it is low. As shown in Model 3 of Table 5.13, the interaction between brand orientation and departmentalisation is significantly related to brand management capability ($\beta = -.23$, $t = -2.87$, $p < .01$).

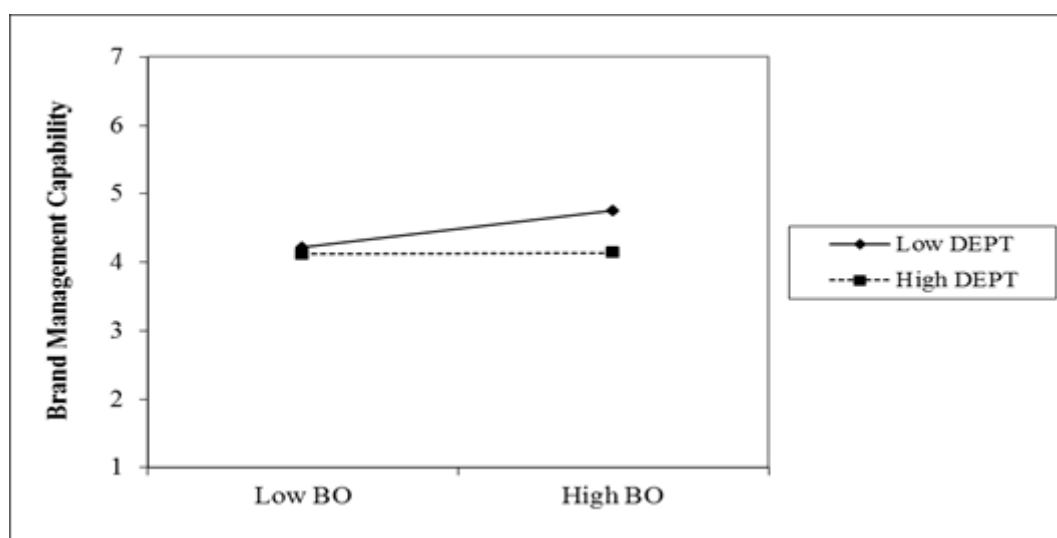
Table 5.13: Results of hierarchical moderated regression analysis for Hypothesis 6

Variable	Brand Management Capability		
	Model 1	Model 2	Model 3
Age	-.05	-.04	-.03
Size	-.03	-.01	-.02
Autonomy	.05	.06	.06
Base-year performance	.26**	.24**	.22**
BO		.30**	.22*
DEPT		-.34***	-.32***
BO×DEPT			-.23**
R ²	.08	.35	.39
Adjusted R ²	.05	.31	.35
F-value	2.42†	10.00***	10.29***
ΔR ²		.27***	.05**

Notes: † $p < .10$; * $p < .05$; ** $p < .01$; *** $p < .001$; standardised regression coefficients are reported (two-tailed tests); BO = brand orientation; DEPT = departmentalisation.

A simple slope test was undertaken to further probe the interaction effect at one standard deviation below and above the mean of the moderator, departmentalisation. As illustrated in Figure 5.2, the results of simple slope test show that the relationship between brand orientation and brand management capability is significant when departmentalisation is low ($\beta = .27$, $t = 4.48$, $p < .001$) but not when it is high ($\beta = .01$, $t = .14$, n. s.). Taken together, these findings provide support for Hypothesis 6.

Figure 5.2: Slope analysis for the interactive effect of brand orientation and departmentalisation on brand management capability



Notes: BO = brand orientation; DEPT = departmentalisation.

In Hypothesis 7, it was predicted that the positive influence of brand orientation on brand management capability is stronger when brand-specific TRL is high than when it is low. As shown in Model 3 of Table 5.14, the interaction between brand orientation and brand-specific TRL is significantly related to brand management capability ($\beta = .19$, $t = 2.25$, $p < .05$).

A simple slope test was undertaken to further probe the interaction effect at one standard deviation below and above the mean of the moderator, brand-

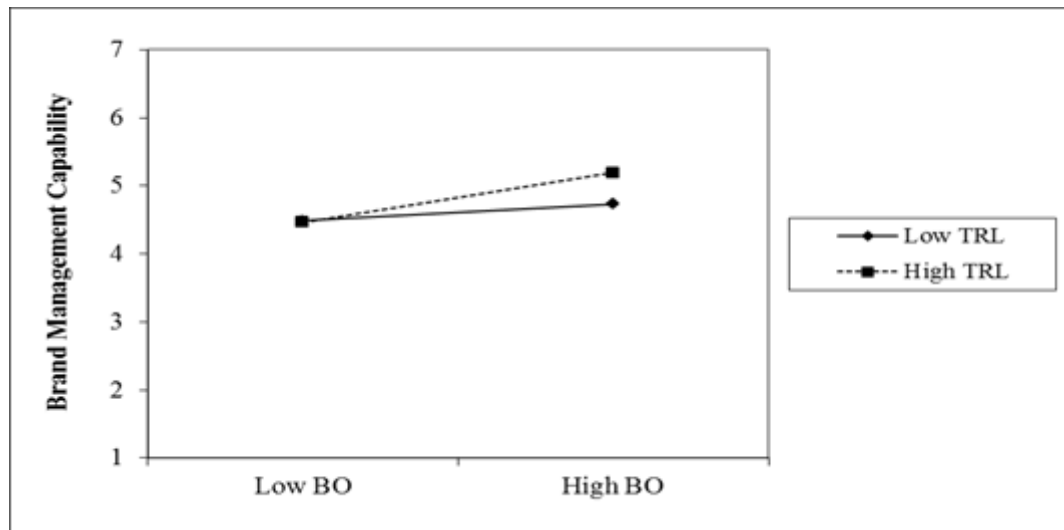
specific TRL. As shown in Figure 5.3, the results of simple slope test suggest that the relationship between brand orientation and brand management capability is significant when brand-specific TRL is high ($\beta = .36$, $t = 5.43$, $p < .001$), but not when it is low ($\beta = .12$, $t = 1.46$, n. s.). Taken together, these findings provide support for Hypothesis 7.

Table 5.14: Results of hierarchical moderated regression analysis for Hypothesis 7

Variable	Brand Management Capability		
	Model 1	Model 2	Model 3
Age	-.05	-.01	-.04
Size	-.03	-.03	-.03
Autonomy	.05	.08	.03
Base-year performance	.26**	.133	.13
BO		.42***	.38***
TRL		.16†	.19*
BO×TRL			.19*
R ²	.08	.28	.31
Adjusted R ²	.05	.24	.26
F-value	2.42†	7.26***	7.161***
ΔR ²		.20***	.03*

Notes: † $p < .10$; * $p < .05$; ** $p < .01$; *** $p < .001$; standardised regression coefficients are reported (two-tailed tests); BO = brand orientation; TRL = brand-specific transactional leadership.

Figure 5.3: Slope analysis for the interactive effect of brand orientation and brand-specific TRL on brand management capability



Notes: BO = brand orientation; TRL = brand-specific transactional leadership.

5.3.3. Hypotheses 8a – 8d

Consistent with prior research (e.g., Lam et al., 2007; Chen et al., 2014), a hierarchical regression analysis was adopted to examine Hypotheses 8a to 8d. These hypotheses incorporate the mediation and moderation processes examined above. In order to analyse these hypotheses, the procedures for examining mediated moderation as suggested by Baron and Kenny (1986) and Muller et al. (2005) were followed.

Specifically, the assessment of mediated moderation requires the fulfilment of four conditions. First, the interaction between the independent variable and the moderating variable must be significantly related to the dependent variable. Second, the interaction between the independent variable and the moderating variable must be significantly related to the mediating variable. Third, the mediating variable is required to be significantly related to the dependent variable while controlling for the interaction between the independent variable and the moderating variable. Finally, the fourth condition of mediated moderation requires that the interactive effect of the independent variable and the moderator on the dependent variable be reduced in size or significance after controlling for the inclusion of the mediating variable.

In Hypothesis 8a, it was predicted that the interactive effect of brand orientation and formalisation on brand equity would be mediated by brand management capability. As shown in Model 3 of Table 5.15, the interaction between brand orientation and formalisation is significantly related to brand equity ($\beta = .16, t = 1.80, p < .10$), thus fulfilling the first condition of mediated moderation. Simple slope analysis further indicates that the relationship between

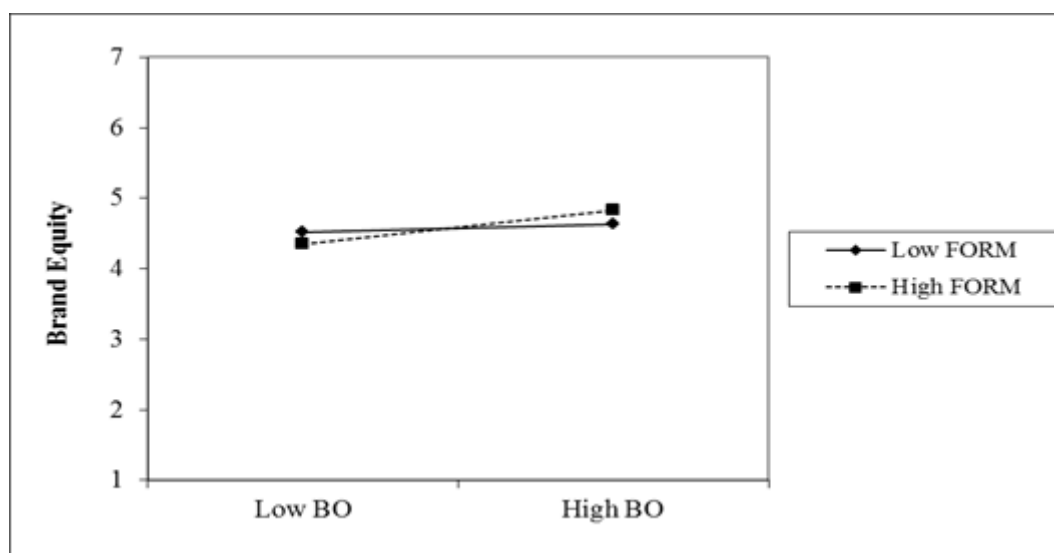
brand orientation and brand equity is significant when formalisation is high ($\beta = .24$, $t = 4.90$, $p < .001$) but not when it is low ($\beta = .06$, $t = .78$, n. s.). These findings are illustrated in Figure 5.4.

Table 5.15: Results of hierarchical regression analysis for Hypothesis 8a

Variable	Brand Equity			
	Model 1	Model 2	Model 3	Model 4
Age	-.02	.01	-.01	.01
Size	-.03	-.04	-.05	-.04
Autonomy	.15†	.22**	.23**	.19*
Base-year performance	.23*	.13	.11	.06
BO		.45***	.38***	.25**
FORM		-.01	.02	-.02
BO×FORM			.16†	.10
BMC				.37***
R ²	.08	.27	.29	.39
Adjusted R ²	.05	.23	.24	.34
F-value	2.57*	6.93***	6.52***	8.78***
ΔR ²		.19***	.02†	.10***

Notes: † $p < .10$; * $p < .05$; ** $p < .01$; *** $p < .001$; standardised regression coefficients are reported (two-tailed tests); BO = brand orientation; FORM = formalisation; BMC = brand management capability.

Figure 5.4: Slope analysis for the interactive effect of brand orientation and formalisation on brand equity



Notes: BO = brand orientation; FORM = formalisation.

Further, as previously reported in Model 3 of Table 5.11 and illustrated in Figure 5.1, the interaction between brand orientation and formalisation is significantly related to brand management capability, thus fulfilling the second condition of mediated moderation.

As presented in Model 4 of Table 5.15, brand management capability is significantly related to brand equity while controlling for the interaction between brand orientation and formalisation ($\beta = .37, t = 4.22, p < .001$), thus fulfilling the third condition of mediated moderation.

Critically, Model 4 of Table 5.15 also shows that the interactive effect of brand orientation and formalisation on brand equity is reduced in both size and significance after controlling for the inclusion of the mediating variable, brand management capability ($\beta = .16, t = 1.80, p < .10$ versus $\beta = .10, t = 1.22, n. s.$). Thus, the fourth condition of mediated moderation has been fulfilled. Therefore, following Baron and Kenny (1986) and Muller et al. (2005), these findings show that the interactive effect of brand orientation and formalisation on brand equity is mediated by brand management capability, providing support for Hypothesis 8a.

The Sobel test further indicates that the indirect effect of the interaction between brand orientation and formalisation on brand equity through brand management capability is statistically significant ($z = 2.86, p < .01$). Additional support for the statistical significance of this indirect effect was also provided by the bootstrap method ($\beta = .08, LLCI = .02, ULCI = .19$, bias-corrected 95% confidence intervals).

Following the work of Muller et al. (2005), Auh, Spyropoulou, Menguc and Uslu (2014) and Tsai and Hsu (2014), the indirect path was assessed at one standard deviation above and below the mean of the moderator, formalisation. The results showed that the indirect effect of brand orientation on brand equity through brand management capability is statistically significant when formalisation is high ($\beta = .09$, LLCI = .03, ULCI = .18, bias-corrected 95% confidence intervals) but not when it is low ($\beta = .02$, LLCI = -.06, ULCI = .11, bias-corrected 95% confidence intervals). Taken together, these findings provide additional support for Hypothesis 8a and indicate that the interactive effect of brand orientation and formalisation on brand equity is mediated by brand management capability.

In Hypothesis 8b, it was predicted that the interactive effect of brand orientation and centralisation on brand equity is mediated by brand management capability. As shown in Model 3 of Table 5.16, the interaction between brand orientation and centralisation is not significantly related to brand equity ($\beta = .10$, $t = 1.27$, n. s.), thus failing to fulfil the first condition of mediated moderation.

Further, as previously reported in Model 3 of Table 5.12, the interaction between brand orientation and centralisation is not significantly related to brand management capability, thus failing to fulfil the second condition of mediated moderation. The failure to fulfil these essential conditions of mediated moderation suggests that the interactive effect of brand orientation and centralisation on brand equity is not mediated by brand management capability, thus providing no support for Hypothesis 8b.

Table 5.16: Results of hierarchical regression analysis for Hypothesis 8b

Variable	Brand Equity			
	Model 1	Model 2	Model 3	Model 4
Age	-.02	.00	-.00	.01
Size	-.03	-.03	-.03	-.02
Autonomy	.15†	.25**	.25**	.20*
Base-year performance	.23*	.17†	.17†	.10
BO		.44***	.46***	.30**
CENT		.12	.11	.08
BO×CENT			.10	.11
BMC				.37***
R ²	.08	.28	.29	.39
Adjusted R ²	.05	.24	.25	.35
F-value	2.57*	7.36***	6.58***	9.08***
ΔR ²		.20***	.01	.10***

Notes: † $p < .10$; * $p < .05$; ** $p < .01$; *** $p < .001$; standardised regression coefficients are reported (two-tailed tests); BO = brand orientation; CENT = centralisation; BMC = brand management capability.

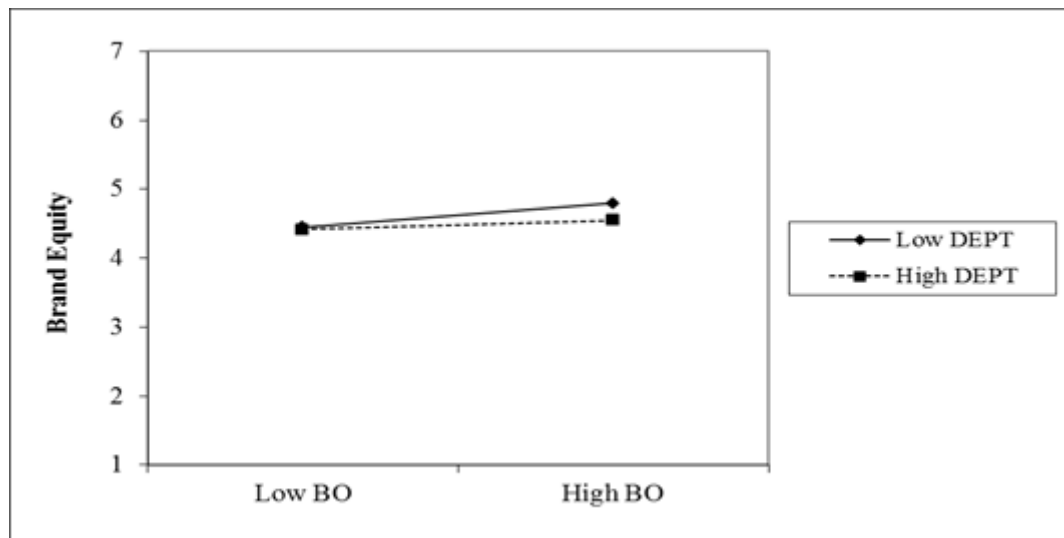
In Hypothesis 8c, it was predicted that the interactive effect of brand orientation and departmentalisation on brand equity is mediated by brand management capability. As shown in Model 3 of Table 5.17, the interaction between brand orientation and departmentalisation is significantly related to brand equity ($\beta = -.16$, $t = 1.86$, $p < .10$), thus fulfilling the first condition of mediated moderation. Simple slope analysis further indicates that the relationship between brand orientation and brand equity is significant when departmentalisation is low ($\beta = .17$, $t = 4.51$, $p < .001$), but not when it is high ($\beta = .07$, $t = 1.25$, n. s.). These findings are illustrated in Figure 5.5.

Further, as previously reported in Model 3 of Table 5.13 and illustrated in Figure 5.2, the interaction between brand orientation and departmentalisation is significantly related to brand management capability, thus fulfilling the second condition of mediated moderation.

Table 5.17: Results of hierarchical regression analysis for Hypothesis 8c

Variable	Brand Equity			
	Model 1	Model 2	Model 3	Model 4
Age	-.02	-.00	.00	.01
Size	-.03	-.02	-.03	-.02
Autonomy	.15†	.19*	.19*	.17*
Base-year performance	.23*	.18*	.17*	.10
BO		.36***	.30**	.24*
DEPT		-.22*	-.20*	-.10
BO×DEPT			-.16†	-.08
BMC				.32**
R ²	.08	.31	.33	.39
Adjusted R ²	.05	.27	.28	.35
F-value	2.57*	8.36***	7.81***	8.90***
ΔR ²		.22***	.02†	.06**

Notes: † $p < .10$; * $p < .05$; ** $p < .01$; *** $p < .001$; standardised regression coefficients are reported (two-tailed tests); BO = brand orientation; DEPT = departmentalisation; BMC = brand management capability.

Figure 5.5: Slope analysis for the interactive effect of brand orientation and departmentalisation on brand equity

Notes: BO = brand orientation; DEPT = departmentalisation.

As presented in Model 4 of Table 5.17, brand management capability is significantly related to brand equity while controlling for the interaction between brand orientation and departmentalisation ($\beta = .32$, $t = 3.39$, $p < .01$), thus fulfilling the third condition of mediated moderation.

Critically, Model 4 of Table 5.17 shows that the interactive effect of brand orientation and departmentalisation on brand equity is reduced in both size and significance after controlling for the inclusion of the mediating variable, brand management capability ($\beta = -.16$, $t = -1.86$, $p < .10$ versus $\beta = -.08$, $t = -1.00$, n. s.). Thus, the fourth condition of mediated moderation has been fulfilled. Therefore, following Baron and Kenny (1986) and Muller et al. (2005), these findings show that the interactive effect of brand orientation and formalisation on brand equity is mediated by brand management capability, providing support for Hypothesis 8c.

The Sobel test further indicates that the indirect effect of the interaction between brand orientation and departmentalisation on brand equity through brand management capability is statistically significant ($z = -3.55$, $p < .001$). Additional support for the statistical significance of this indirect effect was also provided by the bootstrap method ($\beta = -.06$, LLCI = $-.12$, ULCI = $-.03$, bias-corrected 95% confidence intervals).

The indirect path was assessed at one standard deviation above and below the mean of the moderator, departmentalisation. The results showed that the indirect effect of brand orientation on brand equity through brand management capability is statistically significant when departmentalisation is low ($\beta = .06$, LLCI = $.02$, ULCI = $.12$, bias-corrected 95% confidence intervals) but not when it is high ($\beta = .01$, LLCI = $-.03$, ULCI = $.04$, bias-corrected 95% confidence intervals). Taken together, these findings provide additional support for Hypothesis 8c and indicate that the interactive effect of brand orientation and departmentalisation on brand equity is mediated by brand management capability.

In Hypothesis 8d, it was predicted that the interactive effect of brand orientation and brand-specific TRL on brand equity would be mediated by brand management capability. As shown in Model 3 of Table 5.18, the interaction between brand orientation and brand-specific TRL is significantly related to brand equity ($\beta = .18$, $t = 2.19$, $p < .05$), thus fulfilling the first condition of mediated moderation. Simple slope analysis further indicates that the relationship between brand orientation and brand equity is significant when brand-specific TRL is high ($\beta = .22$, $t = 5.59$, $p < .001$) but not when it is low ($\beta = .08$, $t = 1.64$, n. s.). These findings are illustrated in Figure 5.6.

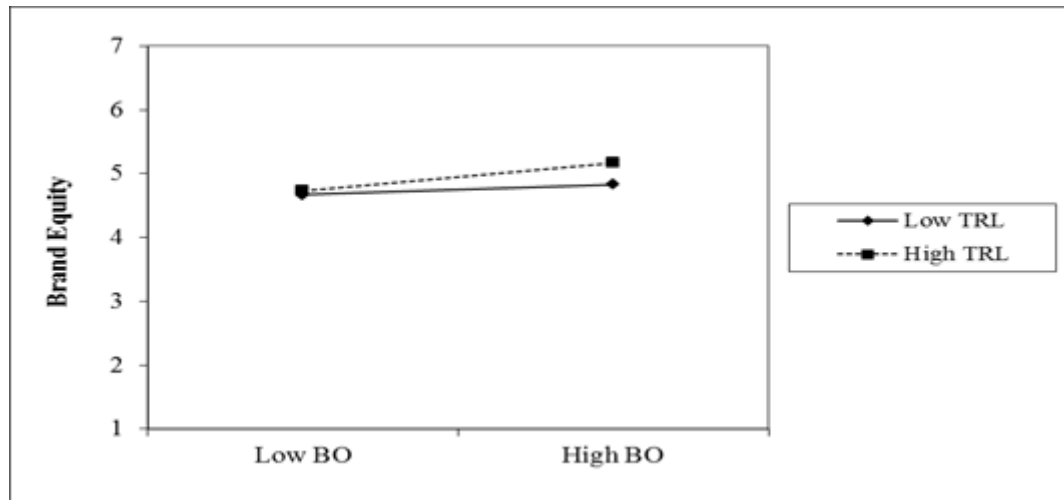
Further, as previously reported in Model 3 of Table 5.14 and illustrated in Figure 5.3, the interaction between brand orientation and brand-specific TRL is significantly related to brand management capability, thus fulfilling the second condition of mediated moderation.

Table 5.18: Results of hierarchical regression analysis for Hypothesis 8d

Variable	Brand Equity			
	Model 1	Model 2	Model 3	Model 4
Age	-.02	.03	.01	.02
Size	-.03	-.03	-.02	-.02
Autonomy	.15 [†]	.17*	.12	.11
Base-year performance	.23*	.08	.08	.04
BO		.42***	.38***	.26**
TRL		.27**	.29***	.23**
BO×TRL			.18*	.12
BMC				.31***
R ²	.08	.33	.36	.43
Adjusted R ²	.05	.30	.32	.39
F-value	2.57*	9.41***	9.02***	10.41***
ΔR ²		.25***	.03*	.07***

Notes: [†] $p < .10$; * $p < .05$; ** $p < .01$; *** $p < .001$; standardised regression coefficients are reported (two-tailed tests); BO = brand orientation; TRL = brand-specific transactional leadership; BMC = brand management capability.

Figure 5.6: Slope analysis for the interactive effect of brand orientation and brand specific TRL on brand equity



Notes: BO = brand orientation; TRL = brand-specific transactional leadership.

As presented in Model 4 of Table 5.18, brand management capability is significantly related to brand equity while controlling for the interaction between brand orientation and brand-specific TRL ($\beta = .31$, $t = 3.65$, $p < .001$), thus fulfilling the third condition of mediated moderation.

Critically, Model 4 of Table 5.18 shows that the interactive effect of brand orientation and brand-specific TRL on brand equity is reduced in both size and significance following the inclusion of brand management capability ($\beta = .18$, $t = 2.19$, $p < .05$ versus $\beta = .12$, $t = 1.51$, n. s.). Thus, the fourth condition of mediated moderation has been fulfilled. Therefore, following Baron and Kenny (1986) and Muller et al. (2005), these findings show that the interactive effect of brand orientation and brand-specific TRL on brand equity is mediated by brand management capability, providing support for Hypothesis 8d.

The Sobel test further indicates that the indirect effect of the interaction between brand orientation and brand-specific TRL on brand equity through brand management capability is statistically significant ($z = 2.39$, $p < .05$). Additional

support for the statistical significance of this indirect effect was also provided by the bootstrap method ($\beta = .04$, LLCI = .01, ULCI = .12, bias-corrected 95% confidence intervals).

The indirect path was assessed at one standard deviation above and below the mean of the moderator, brand-specific TRL. The results showed that the indirect effect of brand orientation on brand equity through brand management capability is stronger when brand-specific TRL is high ($\beta = .07$, LLCI = .02, ULCI = .16, bias-corrected 95% confidence intervals) than when it is low ($\beta = .03$, LLCI = .001, ULCI = .09, bias-corrected 95% confidence intervals). Taken together, these findings provide additional support for Hypothesis 8d and indicate that the interactive effect of brand orientation and brand-specific TRL on brand equity is mediated by brand management capability.

5.4. SUMMARY OF RESULTS

In light of the analyses undertaken above, a summary of the associated findings related to each hypothesis is presented in Table 5.19.

Table 5.19: Summary of hypotheses and empirical conclusions

Hypotheses	Expected sign	Empirical conclusions
H ₁ Brand orientation is positively related to brand management capability.	+	Supported
H ₂ Brand management capability is positively related to brand equity.	+	Supported
H ₃ Brand management capability mediates the relationship between brand orientation and brand equity.	N/A	Supported
H ₄ The positive influence of brand orientation on brand management capability is stronger when formalisation is high than when it is low.	+	Supported
H ₅ The positive influence of brand orientation on brand management capability is stronger when centralisation is high than when it is low.	+	Not supported
H ₆ The positive influence of brand orientation on brand management capability is weaker when departmentalisation is high than when it is low.	-	Supported
H ₇ The positive influence of brand orientation on brand management capability is stronger when brand-specific TRL is high than when it is low.	+	Supported
H _{8a} Brand management capability mediates the interactive effect of brand orientation and formalisation on brand equity.	N/A	Supported
H _{8b} Brand management capability mediates the interactive effect of brand orientation and centralisation on brand equity.	N/A	Not supported

Table 5.19: Summary of hypotheses and empirical conclusions (continued)

Hypotheses		Expected sign	Empirical conclusions
H _{8c}	Brand management capability mediates the interactive effect of brand orientation and departmentalisation on brand equity.	N/A	Supported
H _{8d}	Brand management capability mediates the interactive effect of brand orientation and brand-specific TRL on brand equity.	N/A	Supported

Notes: N/A = not applicable.

5.5. CONCLUSION

Following the research design established in the previous chapter, data to address the research questions and hypotheses set out in Chapters One and Three were collected. In this chapter, the data were analysed and the results presented. The data analysis procedure began with a preliminary assessment of sample composition, non-response bias and common method bias. Following this, measure reliability and validity were examined, after which hypotheses were individually analysed abiding closely by the procedures and recommendations established by previous research (e.g., Baron & Kenny, 1986; Muller et al., 2005; Lam et al., 2007; Tsai & Hsu, 2011; Auh et al., 2014; Chen et al., 2014). The results derived from the analyses undertaken in this chapter provide a fundamental backdrop upon which discussions and implications are drawn in the next chapter.

CHAPTER SIX

DISCUSSION AND CONCLUSION

6.1. INTRODUCTION

Building on the research objectives identified in Chapter One, Chapter Two presented a review of the relevant bodies of literature, which provided the foundation upon which the theoretical framework of this study was developed in Chapter Three. Chapter Four provided details on how data were sourced, which served as the input for the results presented in Chapter Five. The results provide a comprehensive basis upon which implications are drawn. Geletkanycz and Tepper (2012, p. 259) argue that:

“Discussions provide a clear and compelling answer to the original research question, cast in a theoretical light. A Discussion section affords a venue in which to elucidate how a study changes, challenges, or otherwise fundamentally advances, existing theoretical understanding.”

The objective of this chapter is to address the hypotheses established in Chapter Three and by doing so answer the research questions proposed in Chapter One. This chapter begins by discussing the findings derived from Chapter Five to identify insights that advance knowledge related to how firms manage a brand to achieve higher levels of brand equity through the interplay between the level of their brand orientation and the controlling and market-linking mechanisms they have in place. In addition to discussing the findings in a theoretical light, managerial implications are also offered before the chapter concludes with an outline of the limitations of the study and recommendations for future research.

6.2. DISCUSSION OF RESULTS AND THEORETICAL IMPLICATIONS

As discussed in Chapter One, the theoretical motivation of this study is underpinned by the question of how firms approach brand management in an effort to achieve higher levels of brand equity. To this end, some scholars suggest that brand orientation as a strategic orientation of the firm is critical (e.g., Urde, 1999; Urde et al., 2013). Brand orientation is argued to contribute to higher levels of brand equity because it orients firms towards the adoption of a greater branding focus by lending strategic significance to the brand and its management (Wong & Merrilees, 2007; Urde et al., 2013).

Recently, some scholars have advanced the argument that in addition to being brand-oriented, firms trying to achieve higher levels of brand equity must also be equipped with a market-linking mechanism that allows them to be externally relevant in the marketplace and appropriately linked with customers through the brand (Baumgarth, 2010; Baumgarth & Schmidt, 2010; Hirvonen & Laukkanen, 2014). Further, the incorporation of specific controlling mechanisms to generate the sense of consistency fundamental to branding and facilitate the enactment of branding actions is critical given the importance of engaging branding actions in a consistent fashion to achieve higher levels of brand equity (e.g., Park et al., 1986; Keller, 1993; Erdem & Swait, 1998; Reid et al., 2005; M'zungu et al., 2010).

Importantly, there is reason to posit that in addition to being brand-oriented, firms also need to be equipped with appropriate market-linking and controlling mechanisms to provide a better opportunity to achieve higher levels of brand equity. In this regard, management of the interplay between a firm's brand

orientation and its market-linking and controlling mechanisms may be the key to unlock its ability to achieve higher levels of brand equity.

As such, three research questions were posed. Research Question One focuses on examining whether and how a firm's market-linking mechanism, seen through its brand management capability, translates its brand orientation into the ability to achieve higher levels of brand equity. Research Question One asks:

Research Question 1: To what extent does a firm's brand management capability mediate the influence of its brand orientation on its brand equity?

Research Question Two focuses on examining whether and how a firm's controlling mechanism, seen through its level of formalisation, centralisation, departmentalisation and brand-specific TRL, facilitates the enactment of branding actions. Research Question Two asks:

Research Question 2: To what extent does a firm's level of (i) formalisation, (ii) centralisation, (iii) departmentalisation and (iv) brand-specific TRL enhance the effect of its brand orientation on its brand management capability?

Research Question Three focuses on examining whether and how the interplay among a firm's brand orientation and market-linking and controlling mechanisms contributes to the ability to achieve higher levels of brand equity. Research Question Three asks:

Research Question 3: To what extent does a firm's brand management capability mediate the interactive effect of its brand orientation and (i) formalisation, (ii) centralisation, (iii) departmentalisation and (iv) brand-specific TRL on its brand equity?

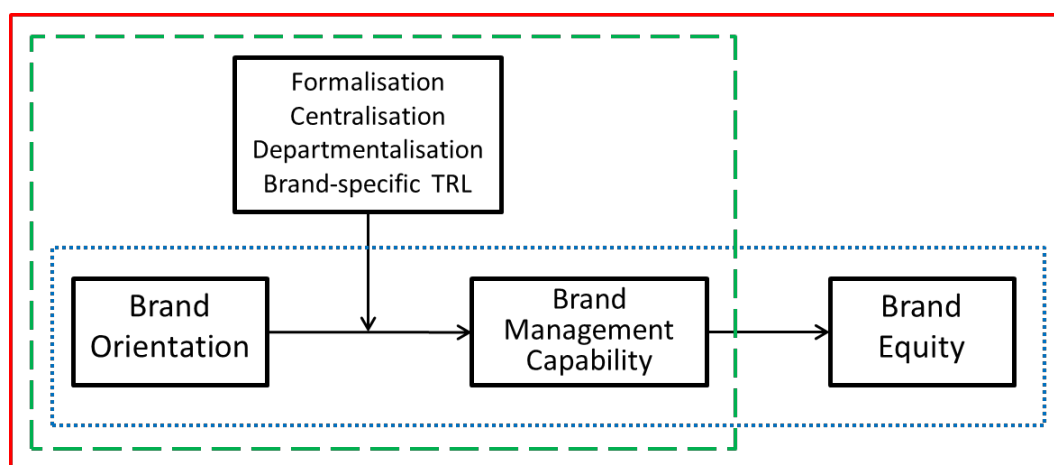
These research questions are rooted in a review of the literature pertaining to brand orientation, RBV and the theory of marketing control. Underpinned by the central tenets within these literatures as discussed in Chapter Two, the research questions were drawn on as the basis upon which specific hypotheses were developed within the theoretical framework established in Chapter Three. Guided by these research questions and hypotheses, a research design and blueprint for sampling, data collection, measure development and anticipated data analysis techniques was developed in Chapter Four. Abiding by the methodological approach and research protocol discussed in Chapter Four, Chapter Five discussed the findings pertaining to preliminary data analyses which assessed the psychometric properties of measures and then presented the results of the hypothesised relationships that underpinned the theoretical framework.

The results derived from the analyses undertaken in Chapter Five are discussed in detail in this chapter to enable a more thorough and comprehensive appreciation of the findings. In doing so, the results are examined in relation to the theoretical model outlined in Figure 3.4. Each research question is addressed individually in conjunction with the corresponding hypothesis. To assist in this discussion, the research model that relates to the research questions is presented in Figure 6.1, which contains three key areas represented by different coloured areas with dashed and solid lines.

The blue dashed area focuses on the underlying component and discusses the role of brand management capability as the market-linking mechanism that helps firms to translate their brand orientation into higher levels of brand equity. This discussion addresses Research Question One. The green dashed area focuses on the moderating component and discusses the roles of formalisation,

centralisation, departmentalisation and brand-specific TRL as controlling mechanisms that facilitate brand management capability development and enactment of the associated customer-linking branding actions in a consistent manner. This discussion addresses Research Question Two. Finally, the red solid area focuses on integrating the underlying and moderating components. It focuses on the interplay among the firm's brand orientation and market-linking (brand management capability) and controlling (formalisation, centralisation, departmentalisation, and brand-specific TRL) mechanisms as the key to achieving higher levels of brand equity. This discussion addresses Research Question Three.

Figure 6.1: The framework for achieving brand management superiority



6.2.1. Discussion of Research Question One

Research Question One focuses on examining the extent to which a firm's brand management capability mediates the influence of its brand orientation on its brand equity. This research question investigates the relationships between brand orientation and brand management capability, and brand management capability and brand equity. It also examines the relationship between brand orientation and brand equity with respect to the intervening role of brand management capability.

Three hypotheses (Hypotheses 1 – 3) were developed to specifically test these relationships and answer this research question.

In addressing this research question, the results of this study contribute to knowledge about brand management by unpacking the underlying process through which brand orientation affects brand equity. With a few exceptions (e.g., Hirvonen & Laukkanen, 2014), existing research focuses predominantly on the direct performance effect of brand orientation (e.g., Ewing & Napoli, 2005; Wong & Merrilees, 2008; Hankinson, 2012; Huang & Tsai, 2013). Thus, the process that underlies the brand orientation—brand equity relationship remains unclear. In addressing the lack of clarity in this area, the results of this study show that brand orientation has a positive influence on brand management capability, which in turn has a positive influence on brand equity. In this sense, brand orientation has an indirect effect on the level of brand equity achieved through a firm's brand management capability.

The RBV argues that as a resource, a firm's strategic orientation does not contribute directly to achieving a desired organisational outcome; instead, it provides a platform that allows the firm to do a better job of taking strategic actions (Hult et al., 2005; Ketchen et al., 2007). On this basis, proponents of the RBV argue that a firm's strategic orientation has only potential value and that the actions (i.e., capabilities) developed and utilised by firms are what result in superior firm performance (Murray et al., 2011; Ngo & O'Cass, 2012). In support of this view and extending it to the branding context, the findings of this study suggest that it is not brand orientation per se that contributes to higher levels of brand equity. Instead, brand orientation serves as the foundation upon which firms

develop brand management capability to use the brand as the basis of interaction with customers and achieve higher levels of brand equity.

Overall, the study shows specifically that by generating, disseminating and synthesising brand-building knowledge, brand orientation provides firms with a greater understanding of the brand-building opportunities that align with the brand's core identity. According to RBV theory, this represents a 'know-what' advantage (Morgan et al., 2009b; Ngo & O'Cass, 2012). However, RBV cautions that the key to achieving higher levels of brand equity lies not solely in what the firm knows, but how it responds to what it knows to strengthen the position of the brand in the market by linking with customers and serving their needs and wants through and within the confines of the brand's image. Thus, brand orientation acts as a precursor to the development of a firm's brand management capability.

Brand orientation provides the knowledge base upon which firms identify the appropriate ways and develop the required actions to reflect and reinforce the idiosyncratic identities and distinctive functional, symbolic and/or experiential features of their brands in the minds of consumers. If the brand's intended image is emphasised through the firm's brand management capability in its interaction with consumers, they will develop greater awareness and stronger associations of the brand, thus facilitating the brand to be viewed in a more positive light and attributed with additional value (i.e., brand equity). The findings as such extend the work of Hirvonen and Laukkanen (2014), who highlight the performance benefits of developing a strong brand identity to link with customers, but whose study falls short of clarifying how the brand should be deployed and used as the basis of interaction with customers.

The findings also add to but clarify those outlined by Morgan et al. (2009a), Orr et al. (2011) and Vorhies et al. (2011), who reported a positive brand management capability—brand equity link, but which previously lacked conceptual insight relating specifically to the branding context (e.g., firms have strong brands [as captured by performance indicators] because of their ability to create and maintain strong brands). Further, the findings answer the call for further research into the mechanisms that facilitate the translation of brand orientation into brand equity in the marketplace (e.g., Baumgarth, 2010; Baumgarth & Schmidt, 2010).

Therefore, in answering Research Question One, this study is among the first to show through the theoretical lens of RBV (Ketchen et al., 2007) that brand management capability as a market-linking mechanism is critical to translating a firm's brand orientation into higher levels of brand equity. Adopting the RBV to assess the brand orientation—brand equity relationship enhances our understanding of the specific process through which brand orientation influences brand equity, which is currently missing from the literature. Therefore, drawing on the RBV, this study advances current knowledge of brand orientation and argues that it is crucial to include brand management capability when examining the brand orientation—brand equity relationship.

6.2.2. Discussion of Research Question Two

Research Question Two focuses on examining the extent to which a firm's level of formalisation, centralisation, departmentalisation and brand-specific TRL enhances the effect of its brand orientation on its brand management capability. This research question focuses on the relationship between brand orientation and

brand management capability under varying levels of formalisation, centralisation, departmentalisation and brand-specific TRL. Four hypotheses (Hypotheses 4 – 7) were developed to examine these relationships and answer this research question.

In addressing this research question, the results of this study extend current knowledge on branding by showing that through specific controlling mechanisms, a critical path to providing the facilitating condition occurs where brand management can be engaged more effectively. Previous research argues that engaging in consistent branding actions is critical to achieving higher levels of brand equity (e.g., Park et al., 1986; Keller, 1993; Erdem & Swait, 1998; Reid et al., 2005; Santos-Vijande et al., 2013). However, the brand orientation literature almost exclusively treats consistent branding actions as a given for being brand-oriented (e.g., Ewing & Napoli, 2005; Baumgarth & Schmidt, 2010; M'zungu et al., 2010; Hankinson, 2012; Huang & Tsai, 2013; Hirvonen & Laukkanen, 2014). There is as such limited understanding of how brand-oriented firms develop consistent branding actions and what organisational mechanism(s) facilitates this process. This study sheds light on this unexplored area by showing that the relationship between brand orientation and brand management capability is strengthened by formalisation and brand-specific TRL, but weakened by departmentalisation. However, the relationship between brand orientation and brand management capability is not influenced by a firm's level of centralisation. The roles of these controlling mechanisms in facilitating brand management capability development are examined individually in the ensuing discussions.

Specifically, the findings suggest that a formalised structure and a brand-specific transactional leader facilitate the development of a firm's brand management capability. They appear to have the capacity to generate the sense of

consistency fundamental to branding and create a condition that facilitates brand management capability development. This is so because formalisation specifies the rules and procedures that employees must abide by, while brand-specific TRL enforces conformity through rewards and punishments that ensure employee's behaviour is aligned with brand performance standards and deviances are rectified. Formalisation and brand-specific TRL thus afford greater uniformity and lesser variance (Jansen et al., 2006), which generates the sense of consistency that is fundamental to branding (e.g., Park et al., 1986; Keller, 1993; Erdem & Swait, 1998; Reid et al., 2005; Santos-Vijande et al., 2013).

However, the same cannot be said for departmentalisation. It appears that by restricting formal and informal contact among employees across different departments, the departments involved in managing the brand are hindered from engaging in good interdepartmental communication. Accordingly, it impedes a concerted and unified effort to manage the brand by the firm. Thus, putting in place a departmentalised structure impairs brand management capability development because it deprives firms of the sense of cohesion and integration that is fundamental to branding (e.g., Ewing & Napoli, 2005; Huang & Tsai, 2013).

By integrating the literatures pertaining to branding and marketing control, this study provides a stronger understanding of how specific controlling mechanisms facilitate brand management capability development. The findings advance current knowledge in the literature by offering an alternate perspective on the roles of formalisation, departmentalisation and brand-specific TRL. As discussed in Section 2.4.6, the performance benefits of these controls are contingent on the strategic focus of the firm and context in which they are

deployed. The literature indicates that the regulatory and creativity-stifling nature of formalisation is commonly associated with decreased innovativeness, excessive bureaucracy and reduced flexibility (e.g., Jaworski & Kohli, 1993; Jansen et al., 2006; Auh & Menguc, 2007). Similarly, some scholars argue that the rigid and disempowering nature of TRL is prone to discouraging risk-taking, creativity and extra-role behaviour among employees (e.g., Jansen et al., 2009a; Morhart et al., 2009; Nahum-Shani & Somech, 2011; Herrmann & Felfe, 2014).

The results of this study however suggest that the controlling influence of formalisation and brand-specific TRL is critical in the context of branding because it facilitates the development of brand management capability by creating the necessary condition under which this process is undertaken in a consistent manner. The same can also be said for departmentalisation because conventionally, it has been argued to permit rapid response to environmental changes and facilitate efficient use and generation of new knowledge (e.g., Vorhies & Morgan, 2003; Olson et al., 2005; Jansen et al., 2009b; Pertusa-Ortega et al., 2010; Claver-Cortes et al., 2012). However, the results of this study suggest that departmentalisation is an impediment to branding because it deprives firms of the condition fundamental to branding that facilitates the firms' brand management capability development.

In relation to the controlling influence of centralisation, it was expected that by limiting the dispersion of decision-making authority and centrally controlling and coordinating operations, a centralised structure would facilitate the development of brand management capability. However, the findings provided no support for this hypothesis. Thus, contrary to expectations, when brand-oriented firms develop brand management capability to link with customers through the

brand, a centralised structure that limits the inclusion of more individuals and organisational levels in the process of decision-making is not beneficial.

Previous research indicates that a centralised structure is an impediment to the implementation of a firm's strategic orientation because it limits organisation-wide participation and involvement (Jaworski & Kohli, 1993; Auh & Menguc, 2007). Indeed, Kohli and Jaworski (1990) and Jaworski and Kohli (1993) argue that centralisation is antithetical to an organisation-wide embodiment of the firm's underlying strategic concept and organisational philosophy, and is thus detrimental to producing a concerted effort. This is particularly true when seeking to be more brand-oriented because emphasis is placed on garnering an integrated effort from all aspects within the firm, such that there is an organisation-wide commitment to, engagement in branding and understanding of what the brand is and means among all the staff (Wong & Merrilees, 2007; Evans et al., 2012). In this regard, everyone from top management to front-line staff is meant to prioritise and be actively involved in maintaining the brand value provided to customers (Wong & Merrilees, 2007).

This study reveals the true nature of centralisation and offers an insight into its role in facilitating brand management capability development. While marketing control theory may suggest that the controlling influence of centralisation is conducive to minimising variance and facilitating uniformity, the findings however imply that deploying centralisation as a controlling mechanism yields no beneficial effect. A centralised structure hinders brand management capability development because its focus on limiting broad participation and involvement is inconsistent with a brand orientation that requires organisation-wide embodiment and institutionalisation of the branding concept.

Therefore, in answering Research Question Two, this study shows through marketing control theory (Jaworski, 1988; Jaworski & MacInnis, 1989; Jaworski et al., 1993) that in the context of branding, formalisation and brand-specific TRL are critical to facilitating brand management capability development, while departmentalisation impedes this process and centralisation produces no beneficial effect. Applying the theoretical lens of marketing control within the context of branding enhances our understanding of how formalisation and brand-specific TRL help to generate the sense of consistency that is fundamental to brand management, while departmentalisation deprives firms of this critical condition and centralisation plays no role in facilitating brand management capability development.

6.2.3. Discussion of Research Question Three

Research Question Three focuses on examining the extent to which a firm's brand management capability mediates the interactive effect of its brand orientation and (i) formalisation, (ii) centralisation, (iii) departmentalisation and (iv) brand-specific TRL on its brand equity. This research question investigates the relationship between brand orientation and brand equity moderated by (i) formalisation, (ii) centralisation, (iii) departmentalisation and (iv) brand-specific TRL, and whether these moderated relationships are mediated by brand management capability. Four hypotheses (Hypotheses 8a – 8d) were developed to examine these relationships and answer this research question.

In addressing this research question, the results contribute to knowledge on branding by unveiling when and how brand orientation contributes to higher levels of brand equity. The branding literature highlights the importance of

engaging branding actions in a consistent fashion because it facilitates the establishment of a clear and coherent brand image in the minds of consumers (e.g., Park et al., 1986; Keller, 1993; Erdem & Swait, 1998; Ewing & Napoli, 2005; Reid et al., 2005; Santos-Vijande et al., 2013). While this contention is widely documented in the literature, the processes through which consistent branding actions are enacted to achieve higher levels of brand equity remain a black box. This study helps to unpack the black box and advance current knowledge and theory about brand management by combining the theoretical perspectives of RBV and marketing control.

Integrating the theoretical perspectives of RBV and marketing control in a mediated moderation framework enables a more thorough and comprehensive appreciation of the findings discussed previously in Sections 6.2.1 and 6.2.2. On one hand, through an appreciation of RBV, insight into the critical intervening role of brand management capability as the key to realising the potential value of brand orientation and achieving higher levels of brand equity is offered. On the other hand, applying marketing control theory in the context of branding highlights the roles of specific controlling mechanisms in providing the necessary condition that facilitates brand management capability development. Critically, the integration of these perspectives permits a deeper understanding of the underlying process through which the interactions between brand orientation and controlling mechanisms are translated into higher levels of brand equity.

The study shows that the interactive effects of brand orientation and formalisation, departmentalisation and brand-specific TRL on brand equity are mediated by brand management capability. This implies that brand management capability acts as the underlying mechanism through which brand orientation

incorporated with specific controlling mechanisms influences brand equity. In particular, the findings indicate that brand orientation has an indirect effect on brand equity through brand management capability when formalisation is high, departmentalisation is low and brand-specific TRL is high. The findings suggest that firms are more likely to achieve higher levels of brand equity when they incorporate their brand orientation with specific controlling mechanisms because these interactive combinations (brand orientation with high formalisation, low departmentalisation and high brand-specific TRL) facilitate brand management capability development. They help to generate the sense of consistency fundamental to branding by providing the necessary condition under which brand management capability can be developed in a consistent manner to facilitate the establishment of a clear and coherent brand image in the minds of consumers.

The findings suggest that brand orientation and controlling (formalisation, departmentalisation and brand-specific TRL) and market-linking (brand management capability) mechanisms do not constitute significantly unique advantages in isolation. Instead, underpinned by the theoretical perspectives of RBV and marketing control, the mediated moderation findings suggest that brand orientation and controlling and market-linking mechanisms collectively contribute to the achievement of higher levels of brand equity through their interplay. These specific organisational factors are individually necessary but not sufficient for realising brand management superiority in the marketplace.

Therefore, this study advances current knowledge and theory by being among the first to show that contrary to dominant beliefs (e.g., Bridson & Evans, 2004; Ewing & Napoli, 2005; Napoli, 2006; Hankinson, 2012; Huang & Tsai, 2013), brand orientation is not singularly or solely responsible for firms'

achievement of higher levels of brand equity. Instead, it acts as an important foundation that sets the brand equity building process in motion. The key to realising superior brand equity lies in the extent to which brand orientation is supported by specific controlling mechanisms (i.e., high formalisation, low departmentalisation and high brand-specific TRL) to provide the condition fundamental to branding that facilitates developing and deploying brand management capability. Thus, this study makes an important contribution to the marketing literature by linking the bodies of literature pertaining to branding, RBV and marketing control to unpack the specific process through which brand management superiority is achieved.

It was expected that brand management capability might mediate the interactive effect of brand orientation and centralisation on brand equity. However, the findings provided no support for this hypothesis and showed that the interaction between brand orientation and centralisation is not significantly related to either brand management capability or brand equity. These findings suggest that the controlling influence of centralisation produces no beneficial effect in either the development of brand management capability or achieving higher levels of brand equity. As discussed in Section 6.2.2, a centralised structure may limit broad participation and involvement (Jaworski & Kohli, 1993; Auh & Menguc, 2007), which may go against the central tenet of the branding concept that necessitates an organisation-wide commitment to branding, engagement in brand management and understanding of what the brand stands for and the values it represents among all the staff (Wong & Merriless, 2007). Thus, the implementation of a centralised structure not only stifles the establishment of an organisation-wide embodiment and institutionalisation of the branding concept, it

also impedes the elicitation of a concerted effort from the firm as a whole, yielding no benefits to achieving higher levels of brand equity.

6.3. CONCEPTUAL AND OPERATIONAL IMPLICATIONS

The key objective of this study was to examine how brand orientation contributes to higher levels of brand equity, while accounting the roles of specific controlling (i.e., formalisation, departmentalisation and brand-specific TRL) and market-linking (i.e., brand management capability) mechanisms. In addressing the research questions, this study sheds light on a number of issues that enhance current understanding of brand management. In this section, the discussions undertaken above are examined in the light of several implications for measures.

The literature review presented in Chapter Two outlined different perspectives of brand orientation and discussed definitions and conceptualisations of brand orientation. The analysis identified that while some scholars define brand orientation from the cultural perspective focusing on values and beliefs (e.g., Huang & Tsai, 2013; Hirvonen & Laukkanen, 2014); others adopt the behavioural view and focus on implemented activities (e.g., Bridson & Evans, 2004; Napoli, 2006). This study adopted the latter view given the contention raised by some scholars that implemented activities are essentially the manifestation of the underlying values and beliefs system (i.e., culture) or strategic focus of the firm (Kohli & Jaworski, 1990; Narver & Slater, 1998; Narver et al., 1998).

However, the literature review shows that the behavioural view of brand orientation advanced by scholars is often couched in an all-encompassing manner that includes a broad array of activities and actions that firms undertake in relation

to the brand. For example, Ewing and Napoli's (2005) view of brand orientation includes internal orchestration and external communication activities focusing on the brand. Similarly, Hankinson's (2012) view of brand orientation includes such brand-focused activities as departmental coordination and external brand communication. While this body of research offers an important contribution by advancing our understanding of brand orientation and its performance benefits, it however appears to be inconsistent with the underlying concept of brand orientation that seeks to capture a firm's appreciation of the importance of branding (e.g., Hirvonen & Laukkanen, 2014).

Further, the all-encompassing manner in which brand orientation has often been viewed in the literature (e.g., Ewing & Napoli, 2005; Hankinson, 2012) obscures its conceptual distinction from externally-focused branding actions (e.g., Baumgarth, 2010; Baumgarth & Schmidt, 2010; Santos-Vijande et al., 2013). Importantly, while this conceptualisation indicates that each driver of brand orientation is important, it does not specify a clear mechanism for achieving higher levels of brand equity. There is as such limited understanding of the specific process through which brand orientation influences brand equity.

Given these conceptual and operational issues, this study contributes to the literature by clarifying the underlying nature of brand orientation. This study raises the contention that instead of viewing brand orientation as encompassing a broad array of activities and actions that firms undertake in relation to the brand, it should reflect a firm's brand-building initiative that captures its knowledge-producing behaviours focused on the generation, dissemination and synthesis of brand-building knowledge directed at initiating the brand-building process. Conceptualising brand orientation in this fashion is consistent with prior research

(e.g., Wong & Merrilees, 2007; Baumgarth, 2010; Baumgarth & Schmidt, 2010; Hirvonen & Laukkanen, 2014). It captures a firm's appreciation of the importance of branding (i.e., brand-building initiative) through its engagement in behaviours directed at generating (Urde et al., 2013), disseminating (Wong & Merrilees, 2007) and synthesising (Hirvonen & Laukkanen, 2014) the required brand-building knowledge for initiating the brand-building process.

Given the importance of the knowledge-producing behaviours in building strong brands as documented in the literature (Urde, 1999; da Silveira et al., 2013; Nedergaard & Gyrd-Jones, 2013), the conceptualisation of brand orientation advanced by this study permits a better understanding of how it contributes to higher levels of brand equity through the theoretical lens of RBV and role of brand management capability, which at present also appears to suffer from several conceptual issues. Indeed, the literature review presented in Chapter Two indicates that although brand management capability is widely acknowledged as conducive to building brand equity (e.g., Lee et al., 2008; Morgan et al., 2009a; Santos-Vijande et al., 2013), its influence on brand equity still at present lacks conceptual clarity. The lack of clarity in this area is due to several issues. First, it has been conceptualised as having solely an internal focus (e.g. Lee et al., 2008; Santos-Vijande et al., 2013) that lacks the external relevance that some scholars highlight as critical to building strong brands (e.g., Baumgarth, 2010; Baumgarth & Schmidt, 2010). Second, its inclusion of both internally- and externally-focused branding activities appears to have an overlap with the underlying concept of brand orientation (e.g., Merrilees et al., 2011). Third, it lacks a brand management focus (e.g., Sok & O'Cass, 2011b) that distinguishes it from marketing capabilities (e.g., Vorhies & Morgan, 2005). Fourth, it is defined in a tautological

manner (i.e., firms have strong brands [as captured by performance indicators] because of their ability to build strong brands; e.g., Morgan et al., 2009a; Orr et al., 2011; Vorhies et al., 2011).

Given these conceptual and operational issues, this study contributes to the literature by defining and studying brand management capability within the branding context. Drawing from the branding literature (e.g., Park et al., 1986; Aaker & Joachimsthaler, 2000; Reid et al., 2005; da Silveira et al., 2013; Santos-Vijande et al., 2013), this study raises the contention that the underlying nature and essence of brand management extends beyond the performance of specific marketing activities (e.g., pricing, distribution) and revolves around reflecting and reinforcing the brand's image. Thus, it is argued that as opposed to viewing brand management capability broadly and tautologically as a firm's ability to build strong brands, it should capture the externally-focused branding activities that firms undertake to reflect and reinforce the brand's image in the minds of consumers. Conceptualising brand management capability in this fashion permits a better understanding of how brand management capability actually affects brand equity. As noted in Section 6.2.1, it is when a brand's image is emphasised in a firm's communication process with consumers that enables them to develop greater awareness and stronger associations of the brand (i.e., brand equity).

6.4. MANAGERIAL IMPLICATIONS

In light of the above discussions, several important managerial implications are identified. First, the findings underscore the importance of managers fostering brand orientation in their firms to achieve higher levels of brand equity. They are advised to encourage the generation of knowledge from

the market about consumer needs, competing brands and environmental trends, dissemination of knowledge pertaining to the brand throughout the organisation and synthesis of these pools of knowledge to arrive at the identification of opportunities that fit within the framework of the brand's core identity. Engagement in these knowledge-producing behaviours not only enables managers to orient their firms towards appreciating the importance of branding, but also represents a critical initiative for brand-building because it enables the firm to have a greater understanding of the brand-building opportunities that align with the brand's core identity.

Second, the findings underscore the importance of paying more managerial attention to the underlying process through which brand orientation translates into higher levels of brand equity. Brand orientation acts as an impetus that affects firms' brand management capability development, which consequently is the key to achieving higher levels of brand equity. Therefore, managers should not only focus their efforts on developing, adopting and managing brand-oriented behaviours to acquire brand-building knowledge, but also ensure they devote their attention to the underlying managerial process of brand management capability development in order to realise the potential value of their brand orientation and achieve higher levels of brand equity.

It is imperative that managers foster the use of the brand-building knowledge they derive from their brand orientation to identify the appropriate ways and develop the required actions to link with customers and serve their needs through the brand. In doing so, it is imperative that they ensure the idiosyncratic identity and distinctive functional, symbolic and/or experiential features of their brands are reflected and reinforced in the minds of consumers.

This is critical because not only does it represent an important means by which the brand is used as the basis of interaction with consumers, it also enables consumers to develop greater awareness and stronger associations of the brand, thus facilitating the achievement of higher levels of brand equity. Nevertheless, while the deployment of specific branding actions to link with customers through the brand is critical to achieving higher levels of brand equity, the literature also underscores the importance of engaging branding actions in a consistent fashion in an effort to achieve higher levels of brand equity.

Specifically, the importance of engaging branding actions in a consistent manner has been highlighted as the key to building brand success because a consistent approach towards branding is fundamental to the establishment of a clear brand image in the minds of consumers and because it has important strategic implications (e.g., Park et al., 1986; Keller, 1993; Erdem & Swait, 1998; Ewing & Napoli, 2005; Reid et al., 2005; Santos-Vijande et al., 2013). Thus, this study draws the attention of managers to the idea that the role of brand orientation on brand management capability development may be contingent on the presence of specific controlling mechanisms, such as setting clear performance goals and guidelines and abolishing departmental barriers. A few suggestions are offered here for managers to ensure the branding actions to link with customers through the brand can be developed and deployed in a consistent fashion. First, they should put in place a formalised structure that specifies rules and procedures to guide employees on how to perform work tasks. Second, they should remove barriers of interdepartmental interaction and encouraging formal and informal contact among employees across different departments. Third, they should adopt a transactional leadership style by rewarding employees for meeting performance

standards and punishing them when they deviate from the performance standards. These mechanisms are in fact conducive to managers cultivating uniformity and reducing variance, which generates the sense of consistency that is fundamental to branding and critical to projecting a clear and coherent image to consumers. For managers, having these controlling mechanisms in place ensures the firm is acting in unison and communicating to consumers in one voice.

Achieving higher levels of brand equity thus requires that managers develop an understanding of the brand-building opportunities that align with their brand's core identity through their brand orientation. Using this knowledge base, they should identify the appropriate ways and develop the required actions through which their brand can be used as the basis of interaction with customers. This development process is further enhanced and facilitated by the presence of an appropriate support, such as specific rules and procedures, a transactional leader and greater interdepartmental interaction. Having such support in place creates the necessary condition under which firms can enact customer-linking branding actions in a consistent manner. Performing such consistent branding actions in turn leads to higher levels of brand equity because it facilitates the creation of a coherent brand image in the minds of consumers that they can clearly decipher and respond favourably to, thus delivering brand equity to the firm.

6.5. LIMITATIONS AND FUTURE RESEARCH

The findings of this study should be considered in the light of several limitations. First, brand equity was captured with data provided subjectively by managers instead of objectively by customers of the firm. While the data drawn from this approach may not be fully representative of the views and attitudes of

customers, it is however consistent with the procedure adopted by previous research (e.g., Wong & Merrilees, 2008; Huang & Tsai, 2013; Hirvonen & Laukkanen, 2014). For example, Orr et al. (2011) and Santos-Vijande et al. (2013) measured customer satisfaction and customer performance respectively with survey responses provided by managers of the sampled firms. Similarly, previous studies argue that perceptual and objective measures of performance are highly correlated (e.g., Atuahene-Gima & Murray, 2007; O'Cass & Ngo, 2007a). For example, Vorhies and Morgan (2005) observed similar results when objective measures of overall firm performance were used in place of perceptual ones. Further, specific measures were taken to ensure the limitation associated with this approach did not become a serious problem by assuring key informants of their anonymity and confidentiality to reduce socially desirable responses, and reassuring them that there were no right or wrong answers to reduce apprehension. Nevertheless, future research may overcome the limitation of this approach through the employment of a multi-informant approach, such as that employed by O'Cass and Sok (2013) and Stock and Bednarek (2014), by incorporating the insights of customers, in addition to managers and/or employees, to capture the indicators of brand equity.

Second, the role of environmental conditions has yet to be considered and this appears to be an issue into which further insights could be provided, particularly in relation to the roles of controlling mechanisms in turbulent and competitive environments. For example, previous research suggests that controlling mechanisms such as high levels of formalisation and low levels of departmentalisation may be more effective in a stable and predictable environment as opposed to one that is turbulent and rapidly changing (e.g., Olson

et al., 2005; Kabadayi et al., 2007). In this sense, the influence of specific controlling mechanisms on facilitating firms' enactment of consistent branding actions may be less salient in highly turbulent and competitive markets, and vice versa. Therefore, additional insight into the nexus between branding consistency, controlling mechanisms and environmental dynamism may be required for the advancement of current knowledge within the areas of branding and strategic management, particularly in relation to the notion of dynamic capability.

Third, the role of other strategic orientations of the firm was not examined in this study. Previous research finds that firms may engage in the management of brands for the realisation of superior performance through the incorporation of different strategic orientations (e.g., Baumgarth et al., 2013; Laukkanen, Nagy, Hirvonen, Reijonen, & Pasanen, 2013). For example, Urde et al. (2013) suggests that while their underlying philosophies may be at odds with each other, the synergy between market orientation and brand orientation can help firms to potentially unlock brand management superiority. Thus, future research may offer greater insight into the process through which the incorporation of different strategic orientations of the firm contributes to the development of strong brands.

6.6. CONCLUSION

The importance of building a strong brand has received widespread support from scholars and practitioners alike. The underlying logic of this widely accepted objective is that an organisation that builds a strong and successful brand will not only generate stronger earnings, but also absorb shocks in the market and be endowed with a much stronger defensible position. Thus, achieving these desirable organisational outcomes requires that firms attribute more attention to

how they manager their brands. To this end, the role of brand orientation has been highlighted in the literature (e.g., Huang & Tsai, 2013; Hirvonen & Laukkanen, 2014). It is argued to be critical to helping firms achieve higher levels of brand equity because it orients them towards the adoption of a greater branding focus by lending strategic significance to the brand and its management (e.g., Wong & Merrilees, 2007; Urde et al., 2013). However, knowledge of how it actually helps firms to achieve higher levels of brand equity remains unclear. Thus, the theoretical motivation of this study is to investigate the specific process through which brand orientation enables firms to achieve higher levels of brand equity and unpack the brand orientation—brand equity relationship.

In an effort to unpack the brand orientation—brand equity black box, this study drew on RBV and the theory of marketing control to address three specific research questions pertaining to: (1) the role of brand management capability as constituting the market-linking mechanism that helps to translate brand orientation into higher levels of brand equity; (2) the role of formalisation, centralisation, departmentalisation and brand-specific TRL as integral controlling mechanisms that generate the sense of consistency fundamental to branding and facilitate brand management capability development; and (3) the interplay among the firm's brand orientation and market-linking and controlling mechanisms as the key that unlocks superior brand equity.

Overall, the results suggest that through brand orientation, firms are provided with a greater understanding of the brand-building opportunities that align with the brand's core identity. This knowledge base serves as the foundation upon which they develop brand management capability by identifying the appropriate ways and developing the required actions to link with customers and

serve their needs through the brand. The enactment of brand management capability in turn leads to higher levels of brand equity. Further, the deployment of such controlling mechanisms as high formalisation, low departmentalisation and high brand-specific TRL facilitate the development of brand management capability. Thus, brand orientation leads to higher levels of brand equity when supported by high formalisation, low departmentalisation and high brand-specific TRL because these interactive combinations create the conditions fundamental to branding that facilitate brand management capability development and establishment of a clear and coherent brand image in the minds of consumers.

The advancement of these important findings extends current knowledge and theory by shedding light on the specific process through which brand orientation contributes to higher levels of brand equity. RBV permits a better understanding of how brand orientation enables firms to achieve higher levels of brand equity through brand management capability. Marketing control theory enhances knowledge on how specific controlling mechanisms facilitate brand management capability development within the context of branding. The findings also offer an alternate perspective on the roles of formalisation and brand-specific TRL, which have traditionally been maligned for their rigid and creativity-stifling nature in the literature. Importantly, integrating the theoretical perspectives of RBV and marketing control in a mediated moderation framework helps to unpack the black box that at present sheds little light on why some brands perform better than others and how firms that achieve superior brand equity manage their brands. Therefore, both theorists and managers can best understand and unlock this black box by approaching brand management through the framework for achieving brand management superiority developed by this study.

APPENDIX



Brand Management Survey

Dear respondent,

This study seeks to investigate how businesses manage their brands. The study is being conducted in partial fulfilment of a PhD for Wai Jin Lee under the supervision of Professor Aron O’Cass.

We wish to extend an invitation to participate in this study. Your contact details were obtained from a database listing. Please note that your participation is entirely voluntary. There will be no consequences if you decide not to participate and this will not affect your relationship with the University. Similarly, you are free to withdraw from the study at any time without providing any reason.

Please be mindful that there is no right or wrong answer, only responses that most accurately reflect your view. Please be advised also that your responses will be treated with the strictest confidence. Completion and submission of the survey will be taken as evidence of your consent to participate in the study. The confidentiality of you and your business unit is highly respected; as such, you and your business unit will remain anonymous throughout the study and the responses provided will not be identified or related back to you or your business unit in any publications.

The responses you provide will help inform academics and practitioners of the ways brands are managed effectively to yield superior brand performance. In this instance, publication of the findings will be reported without identifying any participating firm or respondent. Should you wish to obtain a report of the study’s findings, please do not hesitate to contact the researchers via the contact details provided below. Data will be stored in a hard drive for a maximum period of 5 years after which they will be deleted permanently.

This study has been approved by the Tasmanian Social Sciences Human Research Ethics Committee. If you have concerns or complaints about the conduct of this study, please contact the Executive Officer of the HREC (Tasmania) Network on (+613) 6226 7479 or email human.ethics@utas.edu.au. The Executive Officer is the person nominated to receive complaints from research participants. The ethics reference number is H12565.

This information sheet is for you to keep. If you have any questions pertaining to the study, please do not hesitate to contact the researchers via the contact details below. We thank you for your co-operation and helpful participation.

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BRAND MANAGEMENT SURVEY

We realise you are very busy, but ask for about 10-15 minutes of your time. Please do not rush as your experience and knowledge are very important and your accurate responses ensure your time is well served. Your responses are completely anonymous and confidential. We guarantee your responses cannot and will NOT be identified.

WHEN ATTEMPTING THIS SURVEY, PLEASE FOCUS ON THIS BRAND AND RESPOND FROM THE PERSPECTIVE OR VIEWPOINT OF HOW IT HAS BEEN MANAGED OVER THE LAST 12 MONTHS:

(BRAND NAME)

WHEN RESPONDING, PLEASE THINK ABOUT the activities undertaken when managing this brand and how those involved in the management of this brand have behaved.

Please check the number that best indicates your response to each of the following statements.

Please indicate the extent to which you believe:		Not At All							Very Much So						
SUI1	You are knowledgeable about this brand's business environment (e.g., competitors, regulations), business operations, strategies, processes, and performance.	1	2	3	4	5	6	7							

Please check the number that best indicates your response to the following statements.		Strongly Disagree							Strongly Agree						
AUT1	We are free to develop our own branding strategies for this brand.	1	2	3	4	5	6	7							
AUT2	We are free to implement our own branding strategies for this brand.	1	2	3	4	5	6	7							

In relation to the staff involved in the management of this brand:		Strongly Disagree							Strongly Agree						
FOR1	They have had to follow written work rules for their job.	1	2	3	4	5	6	7							
FOR2	How things are done has never been left up to the person doing the work.	1	2	3	4	5	6	7							
FOR3	They have not been allowed to do as they please when performing their work.	1	2	3	4	5	6	7							
FOR4	They have had to conform to standard procedures and formal guidelines.	1	2	3	4	5	6	7							

Survey A

Please check the number that best indicates your response to each of the following statements.

In relation to the staff involved in the management of this brand:		Strongly Disagree					Strongly Agree	
CEN1	They have <u>not</u> been allowed to take an action before someone with authority makes a decision.	1	2	3	4	5	6	7
CEN2	A person who wants to make his or her own decisions has been quickly discouraged.	1	2	3	4	5	6	7
CEN3	They have had to refer even small matters to someone with more authority for a final decision.	1	2	3	4	5	6	7
CEN4	Any decision a person makes has been subject to the approval of his or her boss.	1	2	3	4	5	6	7

Please check the number that best indicates your response to each of the following statements.

When managing this brand, we have:		Strongly Disagree					Strongly Agree	
BMG1	Developed positioning strategies that are consistent with the brand's image.	1	2	3	4	5	6	7
BMG2	Established the appropriate associations that reinforce the brand's image in consumers' minds.	1	2	3	4	5	6	7
BMG3	Controlled the consistency between consumers' perceived image of the brand and its intended image.	1	2	3	4	5	6	7
BMG4	Portrayed the brand with an appealing personality that reflects the brand's image.	1	2	3	4	5	6	7
BMG5	Identified potential extension opportunities that consolidate the brand's image.	1	2	3	4	5	6	7
BMG6	Developed marketing programs that send messages about the brand to consumers.	1	2	3	4	5	6	7

Please check the number that best indicates your response to each of the following questions.

When managing this brand, have you consistently or always:		Not At All					Very Extensively	
TRL1	Focused attention on irregularities, mistakes, exceptions, and deviations from what is expected of your staff as representatives of the brand?	1	2	3	4	5	6	7
TRL2	Kept careful track of your staff's mistakes regarding brand-consistency behaviour?	1	2	3	4	5	6	7
TRL3	Monitored your staff's performance as brand representatives for errors needing correction?	1	2	3	4	5	6	7
TRL4	Ensured you are alert of your staff's failure to meet standards for brand-consistent behaviour?	1	2	3	4	5	6	7
TRL5	Reprimanded your staff when their performance is not up to standards for brand-consistent behaviour?	1	2	3	4	5	6	7
TRL6	Reacted with according sanctions if your staff do not adhere to the standards for brand-consistent behaviour?	1	2	3	4	5	6	7

Survey A

Please check the number that best indicates your response to each of the following questions.

When managing this brand, have you consistently or always:		Not At All					Very Extensively	
		1	2	3	4	5	6	7
TRL7	Pointed out what your staff will receive if they do what is required from a brand representative?							
TRL8	Told your staff what to do to be rewarded for their efforts for brand-consistent behaviour?							
TRL9	Worked out agreements with your staff on what they will receive if they behave in line with the standards for brand-consistent behaviour?							
TRL10	Talked to your staff about special rewards for exemplary behaviour as a brand representative?							

Please check the number that best indicates your response to each of the following statements.

Based on the <u>MOST RECENT</u> and <u>UP-TO-DATE</u> information available to us (e.g., company reports, financial reports), the information shows that:		Not At All					Very Much So	
		1	2	3	4	5	6	7
AWR1	Consumers have seen and/or heard of this brand.							
AWR2	Consumers can recall this brand's name immediately when they think of the product category in which it is positioned.							
AWR3	This brand is often at the top of the minds of consumers when they think of the product category in which it is positioned.							
AWR4	Consumers can clearly relate this brand to a certain product category.							

The following questions relate to some general information about THIS BRAND. Please fill in or check the most appropriate answer.

BAGE	The business unit managing this brand has been established or in operation for _____ years.
BIND	This brand is primarily involved in the _____ industry.
BSZE	The number of full time employees working on the day-to-day management of this brand is _____.
BSAL	This brand's total sales in the last financial year was (in million US\$) _____.

Please check the number that best indicates your response to the following statement.

Please check the number that best reflects your response to the following statement.		Declining			Constant		Improving	
		1	2	3	4	5	6	7
PFC1	Prior to the last 12 months, the overall performance of this brand was							

Please check the number that best indicates your response to the following statement.

Please indicate the extent to which you believe you are:		Not At All					Very Much So	
		1	2	3	4	5	6	7
SUI2	Confident that you had the necessary knowledge to answer the questions asked throughout this survey.							

Survey A

The following questions relate to some general information about YOU. Please fill in or check the most appropriate answer.

RPOS	The designated title of my position is _____.			
RPOY	I have been working in this position for _____ years.			
RINY	I have been working in this industry for _____ years.			
RAGE	My age (in years) is	A. Under 30 E. 45 – 49	B. 30 – 34 F. 50 – 54	C. 35 – 39 G. 55 – 59 H. 60 and above
RGEN	My gender is	A. Male		B. Female
REDU	My highest educational qualification is	A. High school C. Postgraduate degree		B. Undergraduate degree D. Other (please specify) _____
RDEG	If you checked B or C in the last question, please indicate the area of your degree study _____.			

Thank you for your time and cooperation!



BRAND MANAGEMENT SURVEY

We realise you are very busy, but ask for about 10-15 minutes of your time. Please do not rush, as your experience and knowledge are very important and your accurate responses ensure your time is well served. Your responses are completely anonymous and confidential. We guarantee your responses cannot and will NOT be identified.

WHEN ATTEMPTING THIS SURVEY, PLEASE FOCUS ON THIS BRAND AND RESPOND FROM THE PERSPECTIVE OR VIEWPOINT OF HOW IT HAS BEEN MANAGED OVER THE LAST 12 MONTHS:

(BRAND NAME)

WHEN RESPONDING, PLEASE THINK ABOUT the activities undertaken when managing this brand and how those involved in the management of this brand have behaved.

Please check the number that best indicates your response to the following statement.

Please indicate the extent to which you believe:		Not At All					Very Much So	
		1	2	3	4	5	6	7
SUI1	You are knowledgeable about this brand's business environment (e.g., competitors, regulations), business operations, strategies, processes, and performance.							

Please check the number that best indicates your response to each of the following statements.

When managing this brand, we have:		Strongly Disagree					Strongly Agree	
		1	2	3	4	5	6	7
EXT1	Developed knowledge about consumers' needs.							
EXT2	Developed detailed knowledge about what consumers like and dislike about the brand.							
EXT3	Evaluated if the profile of the brand is different from those of competitors.							
EXT4	Reviewed the likely effect of changes in the business environment (e.g., regulation, consumer preferences, competitors' actions, technology) on the brand.							
SYN1	Processed and organised market information in meaningful ways on the basis of its relevance with the brand.							
SYN2	Integrated information from a variety of sources (e.g., consumer reports, brand profile) when developing marketing strategies for the brand.							

Survey B

Please check the number that best indicates your response to the following statement.

When managing this brand, we have:		Strongly Disagree					Strongly Agree	
		1	2	3	4	5	6	7
SYN3	Ensured that all information sources (e.g., brand profile, market reports) are thoroughly considered when making decisions for the brand.							

Please check the number that best indicates your response to each of the following statements.

Across all business levels (e.g., senior, middle management) and departments (e.g., marketing, accounting) involved in the management of this brand:		Strongly Disagree					Strongly Agree	
		1	2	3	4	5	6	7
INT1	The “stories” that reflect the brand's identity and what it stands for have been circulated internally.							
INT2	Current and new employees have been educated about the brand's identity and what it stands for.							
INT3	Information related to the brand has been shared and disseminated.							
INT4	There has been a consistently similar level of understanding of the brand.							
DEP1	Employees from different departments have not felt that the goals of their respective departments are in harmony with each other.							
DEP2	Protecting one's departmental turf has been considered to be a way of life.							
DEP3	There has been strong interdepartmental conflict.							
DEP4	There has been little opportunity for informal “hall talk” among individuals from different departments.							

Please check the number that best indicates your response to each of the following statements.

Based on the MOST RECENT and UP-TO-DATE information available to us (e.g., company reports, financial reports), the information shows that:		Not At All					Very Much So	
		1	2	3	4	5	6	7
PQL1	Consumers consider this brand to be of high quality.							
PQL2	Consumers consider the likely quality of this brand to be extremely high.							
PQL3	Consumers consider the likely functionality of this brand to be very high.							
PQL4	Consumers consider the likely reliability of this brand to be very high.							
PQL5	Consumers consider this brand to be of very good quality.							
PQL6	Consumers consider this brand to be of very poor quality.							
SIG1	Consumers think this brand would improve the way they are perceived.							
SIG2	Consumers think this brand would make a good impression on other people.							
SIG3	Consumers think this brand would help them feel trendy/up-to-date.							

Survey B

Please check the number that best indicates your response to each of the following statements.

Based on the MOST RECENT and UP-TO-DATE information available to us (e.g., company reports, financial reports), the information shows that:		Not At All						Very Much So	
		1	2	3	4	5	6	7	
SIG4	Consumers think this brand is particularly appropriate to use in social contexts.	1	2	3	4	5	6	7	
SIG5	Consumers think this brand would help them feel acceptable.	1	2	3	4	5	6	7	
SIG6	Consumers think this brand would give them social approval.	1	2	3	4	5	6	7	
UNI1	Consumers perceive this brand as distinct from other brands in the same product category.	1	2	3	4	5	6	7	
UNI2	Consumers perceive this brand as really "stands out" from other brands in the same product category.	1	2	3	4	5	6	7	
UNI3	Consumers perceive this brand as different from other brands in the same product category.	1	2	3	4	5	6	7	
UNI4	Consumers perceive this brand as unique from other brands in the same product category.	1	2	3	4	5	6	7	

Please check the number that best indicates your response to the following statement.

Please indicate the extent to which you believe you are:		Not At All						Very Much So	
		1	2	3	4	5	6	7	
SUI2	Confident that you had the necessary knowledge to answer the questions asked throughout this survey.	1	2	3	4	5	6	7	

The following questions relate to some **general information about YOU**. Please fill in or check the most appropriate answer.

RPOS	The designated title of my position is _____.				
RPOY	I have been working in this position for _____ years.				
RINY	I have been working in this industry for _____ years.				
RAGE	My age (in years) is	A. Under 30 E. 45 – 49	B. 30 – 34 F. 50 – 54	C. 35 – 39 G. 55 – 59	D. 40 – 44 H. 60 and above
RGEN	My gender is	A. Male		B. Female	
REDU	My highest educational qualification is	A. High school C. Postgraduate degree		B. Undergraduate degree D. Other (please specify) _____	
RDEG	If you checked B or C in the last question, please indicate the area of your degree study _____.				

Thank you for your time and cooperation!

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